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Board of Education of Jefferson County, Kentucky

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2008



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JEFFERSON COUNTY PUBLIC SCHOOLS
Jefferson County Board of Education
For the Fiscal Year Ended June 30, 2008

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Introductory Section



Letter of Transmittal

October 24, 2008

The Jefferson County Board of Education Louisville, Kentucky

We hereby submit the Comprehensive Annual Financial Report (CAFR) for Jefferson County Board of Education (the “Board”) for the year ended June 30, 2008. The completeness, accuracy, and clarity of these financial statements and data herein are the responsibility of the Board’s Chief Financial Officer.

This CAFR is presented in three distinct sections: Introductory, Financial, and Statistical. The Introductory Section includes this letter of transmittal, a list of our Board Members and an organizational chart. The reader may use this information to understand the Board and our financial condition. Accordingly, we will discuss the Jefferson County economy and tax base, a brief history of the Board and education in Kentucky, and our major accomplishments.

The Financial Section contains the general purpose financial statements. Annual audits are required legally by Kentucky Revised Statute 156.265. These statements were audited by Strothman & Company PSC, an independent Certified Public Accounting firm. Their opinion is included on page 1 of the financial section. We would like to direct the reader to Management’s Discussion and Analysis on pages 3 – 12 of the financial section. This provides an introduction to the financial statements and some financial highlights.

The Statistical Section presents numerous unaudited tables designed to present more detail and trends apparent within the Board and Jefferson County.

The report has been prepared by the Finance Department following the requirements and guidelines prescribed by the Governmental Accounting Standards Board and recommended by the Government Financial Officers Association. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to fairly reflect the financial position and results of operations of the Board. All disclosures necessary to enable the reader to gain the maximum understanding of the Board’s financial activity have been included.



Economic Outlook

As discussed further on page 11 of the Management’s Discussion and Analysis in the Financial Section, Jefferson County remains one of the most resilient economies in America.

The Board receives its revenue largely from two economically-related sources: locally-assessed real estate and property taxes, and locally-assessed occupational taxes. Additionally, the Board receives state revenues derived from state income taxes, sales taxes and other taxes, but these state revenues are subject to many non-economic factors, such as political considerations and an allocation formula based on local revenue, student attendance, and transportation expenses. Beyond these sources, we also receive grant and general revenues from federal, state, local government, and private sources that are either unqualified gifts or grants based on non-tax determinants.

Real estate and personal property, other than automobile, taxes are assessed by the Property Valuation Administrator (PVA) annually, and the value is set as of January 1 of each year. After taxpayers are afforded a period to dispute the assessment, bills are prepared by the Jefferson County Sheriff and sent to the taxpayers on November 1. Real estate taxes, the largest in this total, typically show an increase in both assessments and tax rate. With growth in parts of Jefferson County and typical housing appreciation, local real estate taxes are becoming a greater percent of our revenues each year as their growth outpaces other revenues. Motor vehicle taxes are assessed as of January 1 of each year. The PVA office uses standardized guides, provided by the Department of Revenue, to determine the value of a vehicle or boat. For years, the Board has levied the statutory maximum motor vehicle tax rate, and increases are derived from assessment increases alone.

See the Statistical Section for more details and trend analyses on these taxes.

Locally assessed occupational taxes are levied upon Jefferson County residents who work within Jefferson County at a rate of .75% of salary. This tax tends to be an accurate barometer of the local workforce, and, in some ways, the strength of the local economy. In reviewing past years' revenues, the reader may notice the correlation between occupational tax revenues and the greater United States economy.

State revenues are based on a variety of state taxes and are allocated to the Board based on a variety of factors. First, the state of Kentucky is inherently a political entity and budget is allocated accordingly. Education

continues to be a priority of the current government leaders, though funding levels lag behind many adjacent states. Funds are allocated to the various Kentucky school districts by a statutory formula introduced in the Kentucky Educational Reform Act, which is discussed later in this Introductory Section.

Jefferson County's economy began as a manufacturing center for durable goods, including appliances, cars and trucks. In recent decades, the economy has diversified and is now the home of three *Fortune* 500 companies, including Yum! Brands, which includes KFC, Taco Bell, Pizza Hut, and A&W restaurants, Kindred Healthcare, and Humana Inc. Additionally, headquartered in Louisville are Hillerich & Bradsby, the makers of "Louisville Slugger" baseball bats, Papa John's International Inc. pizza restaurants, and Brown-Forman, makers of numerous products including beverages such as Jack Daniels Tennessee Whiskey, Fetzer Wines, Hartmann Luggage, and Lenox China. Louisville is also home to the world-famous racetrack Churchill Downs, United Parcel Service's ("UPS") Worldport Facility, employing over 17,500 and expanding an additional 5,000 jobs as discussed on page 12 of the Management's Discussion and Analysis in the Financial Section, two Ford plants, and General Electric's Appliance Park.

Overall, the Jefferson County economy has remained stable.

	2002	2008
Median household income	42,139	47,708
Average household income	55,699	62,528

Source: Claritas, May 2008

<u>Total Population</u>	
2004	700,030
2005	701,817
2006	701,419
2007	706,278
2008	700,681

Source: U.S. Department of Commerce, Bureau of the Census

The Board's finances are strong as well. We aspire to achieve great things in public education. To do this, we must set high goals and be strict stewards of the public funds we have.

In order to achieve far-reaching goals, we must maintain far-reaching funding plans. At any time, we forecast instructional needs and financial trends five years into the future. Additionally, we survey the facility needs of our entire district over the next four years. Each project is prioritized by a committee, and only the top priority projects are funded.

The current initiatives discussed on page xi of this Introductory Section are major undertakings that may require dedication over many years. Class-size reduction in particular is a sizeable investment for a district our size. As a practice, we pair our recurrent revenue budget with our recurrent expense budget to eliminate liquidity concerns. In addition, all planning is done in concert with our research team to ensure that funds are allocated to programs that get results.

We also have placed great emphasis on internal controls. School districts have inherent weaknesses in financial structure, with funds being collected at numerous locations and where optimal segregation of duties is not always practical. However, because the cost of internal control should not exceed the anticipated benefits, the objective of these controls is to provide reasonable, rather than absolute, assurance that Board assets are protected and that our financial statements are free of material misstatement. To offset our inherent risks, the Board is committed to strengthening its

controls at the central office level, where 99% of revenues are received, and reviewing satellite offices and schools often. Central office has implemented positive pay for its disbursements and staff review bank information daily. Accordingly, the bank accounts are reconciled by the third day after the end of the month. Schools are audited twice each year by our Internal Audit department. We plan to tighten segregation of duties and internal controls at satellite offices and implement a fraud hotline during the 2008-2009 fiscal year as we continue to safeguard our assets.



History of Public Education in Jefferson County

On April 24, 1829, the City of Louisville established the first public schools for children under sixteen years of age and constructed the first school the following year. Although Louisville's charter specified that education would be free, a tuition of \$1.00 for primary grades and \$1.50 for other grades was assessed. By 1838, the City of Louisville had a full-service school system. Also in 1838, the remaining areas of

Jefferson County outside of the City of Louisville incorporated the Common Schools of Jefferson County school district.

In 1870, Louisville Public Schools established its first two schools for African American students, bringing its enrollment up to 13,502. By this time, the Common Schools of Jefferson County operated 68 schools, including 10 for African Americans. Both districts continued to grow consistently over the decades.

In 1956, all public schools in Louisville and Jefferson County were desegregated at a time when the Louisville Public Schools were 26% African American and the Jefferson County Schools were 4% African American. By court order on April 1, 1975, the Louisville Public Schools and the Jefferson County Public Schools merged into the present Jefferson County Public Schools district in order to address the racial disparity.

At that time, it was determined that all schools in the new district must maintain racial diversity with the minority population between 15% and 50%. In June 2007, the United States Supreme Court held that some aspects of our student assignment plan did not satisfy the Court's "narrow tailoring" requirement. In May 2008, the Board unanimously approved a revised student assignment plan which will become effective for the 2009-2010 school year. The new plan uses race, educational attainment, and household income averages of a student's geographic region as factors when assigning students to schools other than their home school.

The Kentucky Education Reform Act ("KERA") of 1990 formed the basis for massive change to the state's educational system. One of the most comprehensive, statewide restructuring efforts ever attempted in the United States, KERA changed the formula by which Kentucky school districts receive state funding in an effort to achieve equity and educational adequacy regardless of each district's local economic base. KERA created a Site-Based Decision-Making Council system. Each school would have such a council consisting of parents, teachers, and administrators of the school, who would oversee the financial and instructional decisions of the school and hire the Principal. KERA also provided for a state-wide

accountability system that mandated all schools meet certain achievement requirements by 2014.

Due to KERA, Kentucky has gained a reputation as a cutting edge educational system focusing on accountability. Jefferson County as well has many years of assessment data and is continuously reviewing its curriculum and initiatives to ensure Jefferson County children are being educated to the height of their ability.



Jefferson County Board of Education Today

The current Board is very different than our beginnings. We continue to strive for excellence in our financial operations and our educational activities.

Financially, we are as strong as ever. We have sufficient fund balances to plan for a bright future. We have a policy of reviewing vacancies, especially central office vacancies, to continuously strive for efficiency. We are implementing a new web-based purchasing system to eliminate some warehouses and the corresponding overhead. We have also



consolidated our banking relationships to maximize interest income and liquidity.

We have 97,988 students:

High	36,179
Middle	19,731
Elementary	27,527
Kindergarten	7,449
Preschool	2,713
Special Schools	4,389

We have 155 schools and learning centers:

High	19
Middle	23
Elementary	89
Special Needs	9
Other	15

We project that our enrollment is increasing, with our 2008-2009 forecast surpassing 99,050 students.

Our schools were founded based on the neighborhood schools concept. The majority of our schools are off the major thoroughfares back in neighborhoods, where traffic disruptions are minimized, and as many children can walk to school as possible. As Jefferson County has grown to its current size and complexity, the Board has found the need to increase its educational and environmental offerings. While students have the opportunity to attend their neighborhood school and a regular school program, they have many additional choices of schools and programs to best fit their needs and wants.

School Choice: A core philosophy within the Board is that parents should be allowed to choose the program and the school their child attends. We feel this allows students and their parents the opportunity to meet certain educational needs based on the individual child. Our schools are also able to differentiate themselves if the Site-Based Decision Making Council and the elected Jefferson County Board of Education approves the change.

The district embraces many different schools and programs to meet students' diverse needs, interests, and learning styles. Providing such educational choices has resulted in a low dropout rate and no student expulsions in more than 20 years.

Regular Program: Most schools offer a regular curriculum in a typical school setting. This program is the choice of the majority of our parents and gives the Site-Based Decision Making Council much educational latitude.

Magnet and Optional Programs: The Board believes that not all students have the same interests or learn in the same way. We offer choices that let elementary, middle, and high school students select a specialized learning environment or a program that focuses on a particular subject.

Magnet Schools and Programs include traditional schools, Montessori schools, and magnet career academies. Traditional schools require uniforms, daily homework, and parent involvement. They teach at grade level in a structured classroom environment. The Montessori approach to learning is designed to encourage critical thinking, exploration, and self-directed education. Magnet Career academies offer high school students programs that focus on training for a specific career. There are more than a dozen magnet career academies, and most of them offer multiple career programs. Many of our magnet career academies have received national recognition in their program area.

Optional Program is a small, specialized program within a school, such as Creative Arts and Global Communications Optional Program.

Advance Program is for academically gifted students. It stimulates talented young people to stretch their abilities and requires schools to be creative in providing a range of educational opportunities that promote excellence for each child.



Alternative Schools:

Binet School: A center which provides successful learning experiences for those students with multiple disabilities who need a more structured and supportive environment.

Breckinridge Metro High: A high school whose students have been referred to the school by the office of student services, the department of juvenile justice and/or other state and county agencies because of code violations in the regular schools or are court ordered to attend.

Buechel Metropolitan High: Students with a history of violence are sent to Buechel after a serious violent offense.

The school's goal is to improve the behavior of its students in order for them to experience academic success, improve their attendance, earn a return to their regular school, and eventually receive a diploma from that school.

Churchill Park School: This special school serves students with moderate to severe functional mental disabilities from ages five to twenty-one. While

following state mandated core content, the program focuses on functional life skills, community-based instruction, and occupational work experience that will allow students to access and be successful in their immediate environment.

Jefferson County High School: An open-entry/open-exit program that provides an opportunity for students to obtain a high school diploma by attending classes on a flexible schedule. Students study a curriculum, which is individualized, self-paced and teacher-designed. The Independent Study Program offers students the opportunity to complete a traditional, textbook-based curriculum by correspondence from anywhere in the world. In the past few years, we have added eSchool and Virtual School programs. eSchool is an internet-based curriculum offered to students worldwide. Virtual School is where middle school and high school students can attend school, complete an electronic curriculum with teacher help and academic support.



Kennedy Metro Middle: A middle school whose students have demonstrated behavioral problems at their home school. The primary goals of the school are to affect the behavior of the students so they may

experience academic success, improve attendance and return to their home school.

Liberty High: A nontraditional, safety-net school that serves students who meet any of the following criteria:

- One year of high school with fewer than five credits
- One to four years in high school and have fewer than 14 credits
- Frequently absent from school
- Failed four or more classes
- At least 16 years old
- Prefer hands-on, collaborative learning
- Prefer a flexible daily/yearly schedule
- Desire a work-based educational component
- Have diverse learning preferences and whose talents are not being developed.

State Agency Schools: Thirteen unique residential and day treatment centers that work collaboratively with treatment partners to provide a therapeutic or rehabilitative school environment. Students are placed in the State Agency Children's Program through court commitment, psychiatric hospitalization, or identified need for long term treatment of emotional or behavioral problems.

South Park and Westport Teen Age Parent Programs: Two schools designed to prevent school dropout due to teen pregnancy and parenting for middle and high school students. These award-winning programs include home-school coordinators and regular classroom instruction with a hospital-quality nursery.

Waller-Williams Environmental: A special school for students with severe and profound emotional and/or behavioral disabilities. Serving K-8th grade in a highly structured environment, this school utilizes a behavior management system where students earn tokens for good behavior and may use these tokens to purchase items in the school store.

Youth Performing Arts School (YPAS): One of only 100 schools of its kind in the nation. YPAS offers courses in dance, theater acting, musical theater, vocal music, piano, concert band, concert orchestra, visual arts, design and production. Students take their academic classes at an adjacent JCPS high school.

Adult Education: Total Adult Education enrollment for 2007-08 was 30,000. Of these, 14,060 were enrolled in Adult Basic Education/General Education Development (GED) Program and 830 GED Certificates were earned.

- **GED, Basic Skills & Family Ed:** Free classes to prepare for the GED test and upgrade basic skills.
- **English as a Second Language:** Free classes for adults to improve communications skills.
- **Lifelong Learning:** More than 250 leisure-learning and career-enhancing classes. Online courses are available.
- **Workforce Services:** Training and assessment services for individuals, business, and industry.



Current Initiatives

Opening new schools: To address new population centers within our county, the Board opened two new elementary schools in August 2007 and a new middle school in August 2008.

Class-size reduction: The Board believes personal attention allows teachers the opportunity to address the needs of each and every student and tailor curriculum to help each individual student become the best that he or she can be.

Nurses in every school: The Board believes student safety and wellness will be increased by having at least one nurse in every school. This follows with our belief that healthy students have higher attendance and achievement.

Every 1 Reads: In partnership with Louisville Metro Government and Greater Louisville Inc. (the Chamber of Commerce), the Board has undertaken an ambitious reading initiative called Every 1 Reads. This program is a community-wide effort to have every child in Jefferson County reading at or above grade level. To achieve this, we needed approximately 10,000 community members to tutor and mentor children who have fallen behind their grade. Recently, we celebrated our 10,000 trained volunteer. Each of these volunteers work one-on-one with a student helping them improve their reading. The community has supported this effort by contributing \$8 million and thousands of volunteer hours, and the results show that this is money well spent. Currently, we have reduced novice readers from 18,000 to 7,400, a 59% reduction.

GE Foundation Math and Science Initiative: With the help of a \$25 million grant from the GE Foundation, the philanthropic foundation of the General Electric Company, the Board is attempting to raise student achievement in mathematics and science and increase the number of students enrolling in college. The first step in this initiative is to establish world class standards in these subject areas. In this pursuit, the Board and the Jefferson County Teachers Association are revamping and writing curriculum to allow our students to compete in the global environment.

Facing History and Ourselves: The Board believes that every student should learn to be citizens, take action, and make a contribution to their neighbors and communities. Toward this goal, every ninth grader will take a new civics course starting next fall called Facing History and Ourselves. Goals of the course include helping students make the connection between history and the moral choices they confront in their own lives. Students will improve their abilities to analyze and think critically, speak and write effectively, and conduct research collectively.

CARE for Kids (Community, Autonomy, Relationships, Empowerment): In order to help students develop intellectually, ethically, and socially, schools must provide important and engaging learning opportunities, opportunities for membership in a caring community of learners, and a safe learning environment. Through this program, these conditions will be deliberately built into the structure, organization, and pedagogy of the school to enable children to learn and keep them eager to learn.



Evidence of Success

The Board's outstanding performance has been validated by several national, independent organizations and governmental agencies and by the performance of our outstanding students.

Our Schools:

JCPS was one of only five urban school districts and one of the first 100 school districts in the nation to win accreditation as a Quality School District through the Southern Association of Colleges and Schools.

The USDA recognized 61 of our elementary schools as Gold Level Team Nutrition Schools for meeting the USDA's *HealthierUS* School Challenge.

Ballard, Eastern, and DuPont Manual made *Newsweek* magazine's 2008 list of the top high schools in the United States. The list recognizes schools that do the best job of preparing students for college.

Four schools included on the *U.S. News and World Report* 2008 list of America's Best High Schools.

Four schools listed among the Southern Regional Educational Board's 100 High Schools that Work.

Twelve schools designated National PTA Parent Involvement Schools of Excellence.

Greathouse/Shryock Traditional Elementary named a 2007 No Child Left Behind Blue Ribbon School by the U.S. Department of Education.

JCPS was selected by SchoolMatch, a national school-selection consulting firm, as a winner of the 2007 Sixteenth Annual What Parents Want Award.

The JCPS Web site has received a 2008 Golden Apple Top Web Site Award from WantToTeach.com, a clearinghouse for teacher and administrator employment opportunities.

The Learning Disabilities Association of Kentucky awarded the 2007 Innovation Award to the JCPS Adult and Continuing Education Department for having helped lead change for the learning disabilities community.

Our Students:

- 55 National Merit Semifinalists
- Annual Shakespeare competition national winner
- One of only seven Kentucky students who received a 2007 National Council of Teachers of English Achievement Award in Writing
- One of 100 nationwide students to receive a 2007-08 Siemens Award for Advanced Placement.
- 140 students honored in the Duke University Talent Identification Program
- 162 Governor's Scholars
- 201 U.S. Achievement Academy Leadership Merit Awards
- Girls' JROTC national Drill Team champions
- One of a group of 200 students from around the world to attend the People to People World Leadership Forum in Washington D.C.
- 2007-08 Nicholas Green Distinguished Student Award from the National Association for Gifted Education and the Kentucky Association for Gifted Education.
- 2007 Beacon of Hope Award from the Learning Disabilities Association of Kentucky
- Student earned perfect scores on the ACT
- One of ten national winners of the 2008 AXA Achievement Scholarship. Received \$25,000 and the offer of a future internship with AXA, a financial services firm.
- The Class of 2008 earned more than \$81 million in scholarships
- Winner of NCTE Literary Award
- Kentucky winner of the 2008 Stockholm Junior Water Prize



Our Teachers and Staff Members:

- 89 National Board Certified Teachers
- 2007 Principal of the Year Award from the Kentucky Association of Secondary School Principals
- JCPS Adult and Continuing Education Program won the 2007 Chester Klevins Award as the Outstanding Workforce Literacy Program from the National Council on Adult Basic Education
- 2007 Outstanding Teacher Award from the Kentucky Council for the Social Studies
- 2007 Teacher of the Year from the Kentucky Association of Family and Consumer Sciences
- Presidential Award for Excellence in Science and Mathematics Teaching
- Driver of the Year Award at the 2007 Kentucky Association for Pupil Transportation
- Outstanding Teacher Award from the Kentucky Council for the Social Studies

Acknowledgements

We would like to thank all of the staff who assisted with closing of the Board's financial records and preparing this report. In addition, we want to thank those at all levels of the Board who do their part to enhance student achievement.

Respectfully submitted,

Sheldon H. Berman, Ed. D.
Superintendent

J. Cordelia Hardin
Chief Financial Officer / Treasurer

Members of the Board of Education



Joseph L. Hardesty
Chair
District 4

Larry Hujo
District 7

Stephen P. Imhoff
Vice-Chair
District 2

Ann V. Elmore **Carol Ann Haddad** **Debbie Wesslund** **Linda Duncan**
District 1 District 6 District 3 District 5

The Louisville Board of Education was established in 1828. Early members established a legacy of commitment to educational leadership, community responsibility, and child advocacy. Today, members of the Jefferson County Board of Education are committed to maintaining and building on that legacy as JCPS grows to meet new needs throughout our communities.

Jefferson County Board of Education has seven elected members, one for each of the county's seven districts. They are elected by their constituents within their district for a period of two years. The overall responsibility is to oversee the development, operation, and improvement of JCPS. Their goals are as follows:

Student Achievement: All JCPS students will become critical thinkers and lifelong learners who are academically prepared in a racially integrated environment to be successful in the postsecondary education programs or careers of their choice.

School Atmosphere: All JCPS students will be safe, supported, respected, and confident in racially integrated schools, classrooms and student activities.

Parent and Community Involvement: All JCPS parents and community members will be urged and welcomed to actively participate in the education of our students.

Employee Performance: All JCPS employees will contribute to and be accountable for the success of our students through higher levels of performance in supportive work environments.

Generally, the board holds regular business meetings at 7 p.m. on the second and fourth Mondays of each month.

Most meetings are held in the Stewart Auditorium at the VanHoose Education Center, 3332 Newburg Road. Regular meetings are televised live by Insight Communications and can be seen on Cable Channel 98. An interpreter is provided for the hearing impaired. Special meetings may be called anytime by the chairman or by written request from three members to the board's secretary. Notice of a special meeting is sent to local newspapers and to radio and television stations.

2008 Meeting Schedule

(correct as of Jan. 7, 2007)

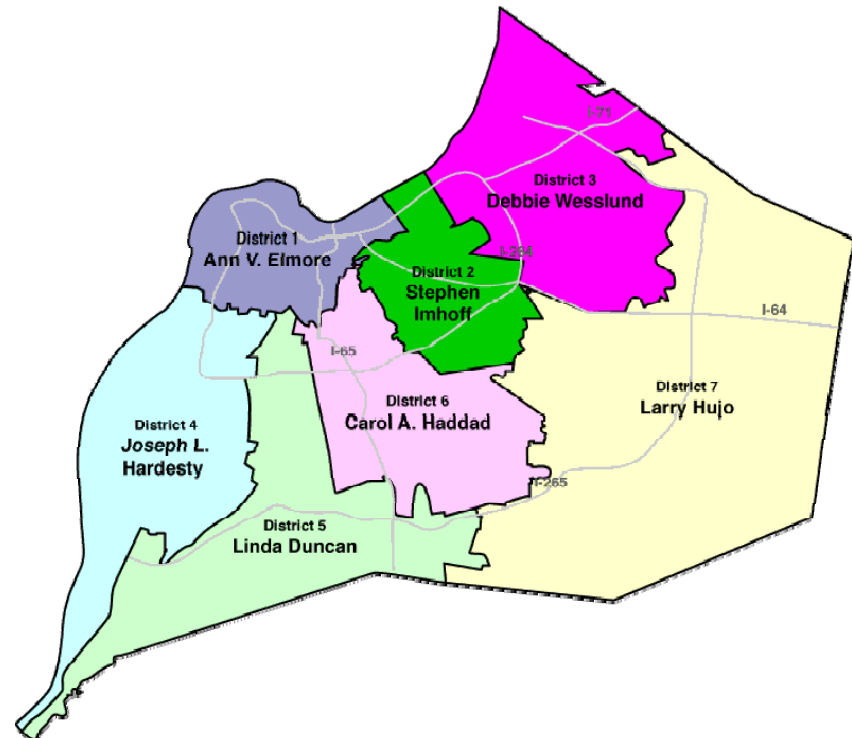
All meetings begin at 7 p.m.

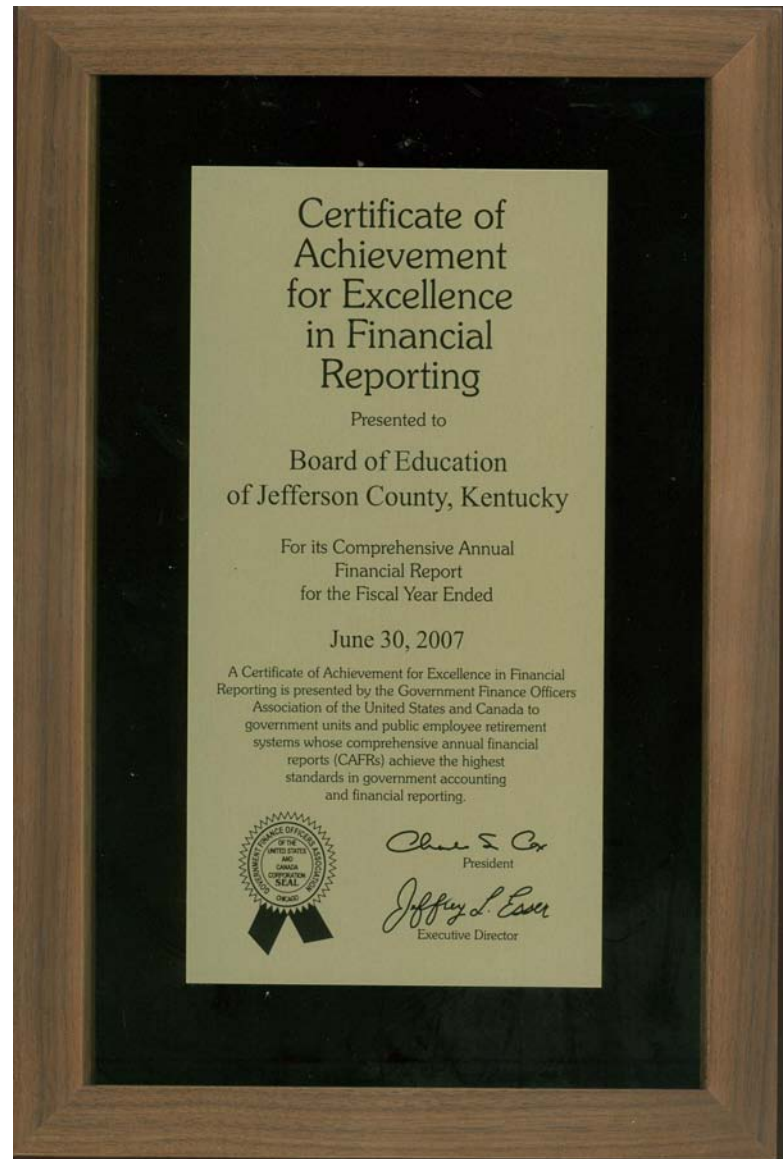
January 14	July 14
January 28	August 11
February 11	August 25
February 25	September 8
March 10	September 22
March 24.	October 13
April 14	October 27
April 28	November 10
May 12	November 24
June 9	December 8
June 23	

The JCPS Board of Education encourages parents and other members of the community to share their opinions at meetings. Be sure the issue you want to talk about is one the school board should address. Take complaints or issues concerning a specific school to the principal or to the SBDM (Site-Based Decision-Making) Council. The purpose of the board is to establish policies for the entire District, not to settle disputes that could be resolved through other channels.

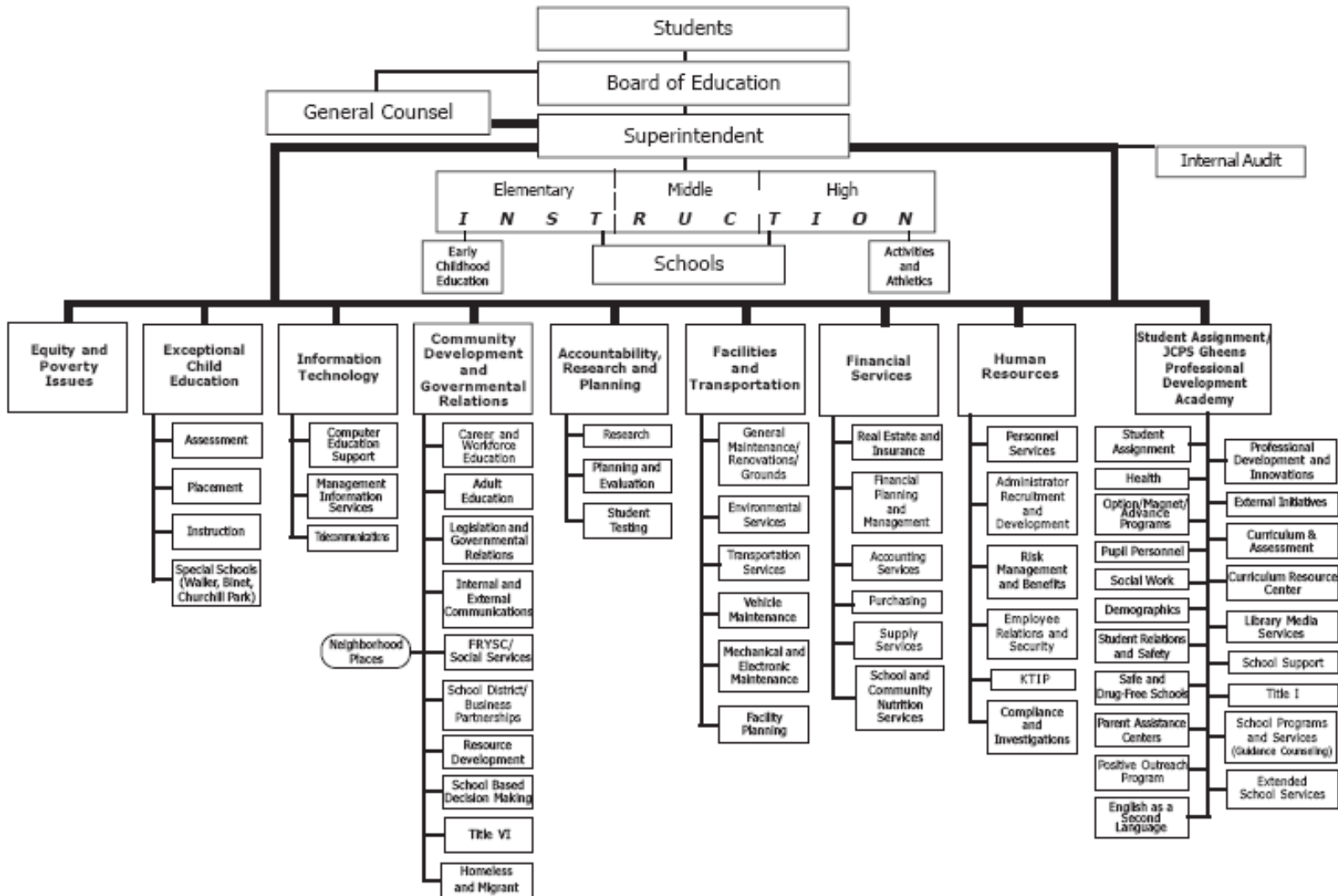
Register with the secretary of the board by calling (502) 485-3342, Mon. through Fri., between 7:30 a.m. and 4:30 p.m. Tell the

secretary the topic you would like to address. Or you may register on-site at a meeting before it starts.





JCPS FUNCTION CHART





Financial Section



Independent Auditors' Report

Members of the Board
Jefferson County Board of Education
Louisville, Kentucky

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jefferson County Board of Education (the "Board") as of and for the year ended June 30, 2008, which collectively comprise the Board's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board as of June 30, 2008, and the respective changes in financial position and cash flows of its proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis (Unaudited) on pages 3 through 12 and the Budgetary Comparison Information on pages 48 through 52 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The introductory section, the combining nonmajor fund financial statements, and the statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements on pages 53 through 58 have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the Board's basic financial statements taken as a whole. The information presented in the introductory and statistical sections has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 27, 2008 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in assessing the results of our audit.

A handwritten signature in cursive script that reads "Stoltman & Company PSC".

Louisville, Kentucky
October 27, 2008



Introduction

Our discussion and analysis of the Jefferson County Board of Education (the "Board") financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2008. The intent of this Management's Discussion and Analysis ("MD&A") is to look at the Board's financial performance as a whole. It should be read in conjunction with the Board's financial statements.

Financial Highlights

Serving just under 98,000 students, the Board is the largest in Kentucky and the 28th largest in the United States. We maintain 155 schools and education centers: 89 elementary, 23 middle, 19 high, 9 special education, and 15 others. The overall financial position of the Board remains strong and stable with an operating budget of \$1,019 million.

The Board maintains its focus on student achievement. Our students and teachers continue to win awards and reach new goals in numerous academic areas. For example, more than 2,962 high school students enrolled in one or more Advanced Placement classes during the 2007-2008 school year, and, in May of 2008, scores on 2,568 tests of 4,891 AP tests taken were high enough to earn our students college credit. Overall, our class of 2008 earned over \$81 million in college scholarships. Our 6,133 teachers have an average of 11.5 years of experience; 83.9% have a master's degree or higher; and 99.1% of academic subject classes are taught by highly qualified teachers. The student-teacher ratio in elementary schools was 16 to 1, middle schools 17 to 1, and high schools 17.7 to 1. The student attendance rate for 2007-2008 was 93.6%.

The Board is challenged to implement new student and financial enterprise systems mandated by the Commonwealth of Kentucky. This mandate has resulted in extensive dollars being expended to enhance the new systems to meet the needs of the Board.

On the District-wide financial statements, the assets of the Board exceeded liabilities by \$273.9 million. The Board's total net assets increased by \$41.5 million for the fiscal year ended June 30, 2008. The Board's governmental funds financial statements reported combined ending fund balance of \$225.1 million. Of this total, \$51.4 million is unreserved in the general fund. However, due to an increase in operating costs such as diesel fuel and utilities, along with the needs of specific instructional priorities, it is necessary to maintain a fund balance to support these initiatives.

Overview of the Financial Statements

The annual report contains:

- Management's Discussion and Analysis ("MD&A")
- District-wide financial statements and fund financial statements
- Notes to Financial Statements
- Other required supplementary information, including statements for nonmajor governmental and fiduciary funds

This annual report consists of a series of financial statements. The District-wide statements, the Statement of Net Assets and the Statement of Activities, provide an overview of the Board's finances. The fund financial statements and governmental activities statements tell how these services were financed in the short term, as well as, what remains for future spending. The fund financial statements also report the Board's operations in more detail than the District-wide financial statements by providing information about the Board's most significant funds. The remaining statements provide financial information about activities for which the Board acts solely as a trustee or agent for the benefit of those outside of the Board.

Reporting the Board as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the Board as a whole begins with the District-wide financial statements. One of the most important questions raised about the Board's finances is whether the Board as a whole is better off or worse off as a result of the year's activities. The Statement of Net Assets and the Statement of Activities report information about the Board as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector organizations. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Board's net assets and changes in them. The Board's net assets, the difference between assets and liabilities, are one way to measure its financial health. Increases or decreases in the Board's net assets are one indicator of whether its financial health is improving or deteriorating.

To evaluate the Board's overall health, review other non-financial factors, such as changes in the Board's property tax base and the condition of the Board's school buildings and other physical assets.

The District-wide financial statements are divided into two categories:

- **Governmental activities:** Most of the Board's basic services are reported here, including instruction, student support services, instructional staff support services, administrative support services, school administrative support services, business support services, transportation, and plant operations and maintenance. Property taxes, occupational taxes, the Commonwealth's Support Education Excellence in Kentucky ("SEEK"), other Commonwealth support, and state and federal grants finance most of these activities.

- **Business-type activities:** School Food Services, Adult Education, and Day Care are considered as business-type activities of the Board. A fee is charged for these activities to assist the Board in covering the cost of these services; therefore, they are classified as business-type activities.

Reporting the Board's Most Significant Funds

Fund Financial Statements

Our analysis of the Board's major funds provides detailed information about the most significant funds—not the Board as a whole. Some funds are required to be established by State law and bond covenants. However, other funds are established as needed to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (for example, grants received from the federal and state governments). The Board's two kinds of funds, governmental and proprietary, use different accounting approaches. The Board also uses fiduciary funds, which are separate funds from the governmental and proprietary funds described above. These funds are not included in the District-wide financial statements, but are described below.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Governmental funds: Most of the Board's basic activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using accounting methods called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Board's general government operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Board's programs. We describe the relationship (or differences) between the governmental activities (reported in the District-wide Statement of Net Assets and Statement of Activities) and governmental funds in a reconciliation following the fund financial statements.

Proprietary funds: When the Board charges students or parents for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the District-wide Statement of Net Assets and Statement of Activities. In fact, the Board's proprietary funds are the same as the business-type activities we reported in the District-wide financial statements but provide more detail and additional information, such as cash flows, for proprietary funds.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the Board. These funds are not reflected in the District-wide financial statements because the resources of these funds are not available to support the Board's own activities or programs. The basis of accounting for fiduciary funds is similar to that of proprietary funds.

The Board as a Whole

The following is a summary of the Board's net assets:

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 298,761,956	\$ 308,634,608	\$ 5,855,405	\$ 7,150,721	\$ 304,617,361	\$ 315,785,329
Capital assets, net of depreciation and construction in progress	509,544,259	500,338,579	24,398,285	25,172,070	533,942,544	525,510,649
Total Assets	808,306,215	808,973,187	30,253,690	32,322,791	838,559,905	841,295,978
Short-term liabilities	103,696,983	122,797,530	1,673,159	1,175,691	105,370,142	123,973,221
Other liabilities	449,299,774	474,079,890	10,006,546	10,856,071	459,306,320	484,935,961
Total Liabilities	552,996,757	596,877,420	11,679,705	12,031,762	564,676,462	608,909,182
Net Assets						
Invested in capital assets, net of related debt	87,449,798	53,894,780	13,542,214	13,478,042	100,992,012	67,372,822
Restricted	119,975,819	133,383,192			119,975,819	133,383,192
Unrestricted	47,883,841	24,817,795	5,081,771	6,812,987	52,915,612	31,630,782
Total Net Assets	\$ 255,309,458	\$ 212,095,767	\$ 18,573,985	\$ 20,291,029	\$ 273,883,443	\$ 232,386,796

The following is a summary of the Board's changes in net assets:

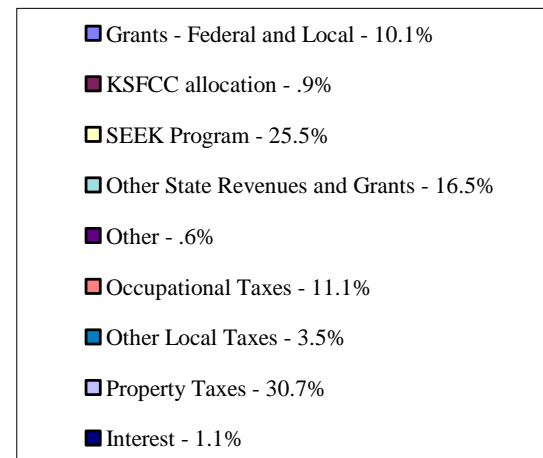
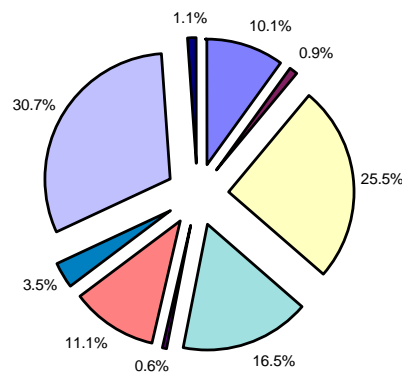
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues						
Program revenues						
Charges for service	\$ 1,114,407	\$ 1,079,992	\$ 15,549,524	\$ 15,671,761	\$ 16,663,931	\$ 16,751,753
Operating grants & contributions	114,385,146	110,702,384	31,129,463	29,841,671	145,514,609	140,544,055
General revenues						
Local taxes	470,915,722	446,129,671			470,915,722	446,129,671
State sources	436,910,904	402,043,302			436,910,904	402,043,302
Other	16,595,505	24,662,627	274,249	351,020	16,869,754	25,013,647
Total Revenues	1,039,921,684	984,617,976	46,953,236	45,864,452	1,086,874,920	1,030,482,428
Expenses						
School operation & administration	977,493,856	933,172,704			977,493,856	933,172,704
School food services			45,046,500	41,952,521	45,046,500	41,952,521
Other business-type activities			3,233,516	3,362,139	3,233,516	3,362,139
Interest on debt service	19,214,136	18,114,794	390,264	636,916	19,604,400	18,751,710
Total Expenses	996,707,992	951,287,498	48,670,280	45,951,576	1,045,378,272	997,239,074
Change in net assets	\$ 43,213,691	\$ 33,330,478	\$ (1,717,044)	\$ (87,124)	\$ 41,496,647	\$ 33,243,354

Governmental Activities

The following schedules provide a comparison of the revenues and expenditures for the current and previous years:

Revenues	2008	2007	Change
Local Sources:			
Property Taxes	\$ 319,540,044	\$ 294,485,592	\$ 25,054,452
Occupational Taxes	115,133,756	114,809,535	324,221
Other Taxes	36,241,922	36,834,544	(592,622)
State Sources:			
SEEK Program	265,416,143	239,847,485	25,568,658
Other State Revenues and Grants	171,494,761	162,195,817	9,298,944
KSFCC allocation	9,090,946	8,308,984	781,962
Grants (federal and local)	105,294,200	102,393,400	2,900,800
Interest	11,315,475	12,981,233	(1,665,758)
Other Sources	6,394,437	13,001,075	(6,606,638)
Total Revenues	\$ 1,039,921,684	\$ 984,857,665	\$ 55,064,019

Revenue Sources



The revenues in the major governmental funds increased by \$55.1 million. The total taxable property valuation and property tax collections for the Board increased again last fiscal year. A partial countywide reassessment of real property as of January 1, 2007, resulted in another increase in total taxable valuations and real property tax collections for the fiscal year ending June 30, 2008 increased \$25.1 million. General state revenues, known as Support Education Excellence in Kentucky (“SEEK”) funding, increased an unprecedented \$25.6 million as the Kentucky legislature mandated and funded substantial salary increases. Intergovernmental revenues from the Commonwealth of Kentucky are slightly higher than the previous year, with a \$9.3 million increase in other state support principally from the increased cost of insurance paid for by the Commonwealth of Kentucky on our behalf.

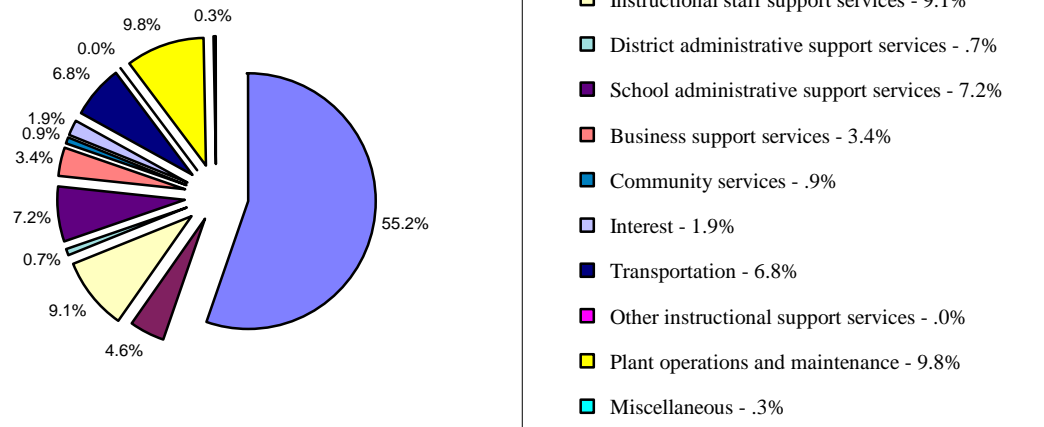
Business-type Activities

Operating revenue of the Board’s business-type activities decreased slightly during the year. School Food Service revenue increased \$.3 million, Adult Education revenue decreased slightly, Tuition Preschool revenue increased \$.2 million and Daycare Operations revenues decreased \$.6 million as some facilities were closed due to their inability to support themselves.

The following summary is a comparison of total District-wide expenditures for governmental activities:

	2008	2007	Change
Expenditures			
Instruction	\$ 549,932,850	\$ 517,592,355	\$ 32,340,495
Student support services	45,509,104	43,244,003	2,265,101
Instructional staff support services	90,993,211	92,089,154	(1,095,943)
District administrative support services	7,130,993	6,905,255	225,738
School administrative support services	71,838,251	66,309,624	5,528,627
Business support services	34,326,827	34,986,394	(659,567)
Community services	8,670,699	8,224,193	446,506
Transportation	67,519,376	66,646,414	872,962
Plant operations and maintenance	98,100,755	91,125,781	6,974,974
Other instructional support services	166,191	388,031	(221,840)
Miscellaneous	3,305,599	5,901,189	(2,595,590)
Interest	19,214,136	18,114,794	1,099,342
Total Expenditures	\$ 996,707,992	\$ 951,527,187	\$ 45,180,805

Expenditure Categories



General Fund Budgetary Highlights and Future Budgetary Implications

The Board's Draft Budget is presented to the members of the Board of Education by January 31 each year, followed by a Tentative (Original) Budget by May 30, and, once the members of the Board of Education approve tax rates in September, the Working (Final) Budget is submitted to the Kentucky Department of Education by September 30. In the Commonwealth of Kentucky, school districts are required to budget the prior year's fund balances in line items for both revenues and expenditures. General fund revenues exceeded budget by \$117 million, and expenditures exceeded budget by \$131 million. Both of these variances are due primarily to the receipt of other state revenues related to on-behalf contributions and expenditures of said contributions for employee benefits that are not budgeted as mandated by the Kentucky Department of Education. As discussed further in the Local Economic Outlook section on page 12, the Board is located in one of the most resilient regions of the country and is not affected by downturns in the economy to the extent that other regions are affected. Property assessments and state revenues remain stable. Additionally, our Construction Fund is well structured for future capital needs. We anticipate our revenue stream remaining stable for the foreseeable future as we are on sound financial footing.

Capital Assets and Debt Administration

Capital Assets

At the end of June 30, 2008, the Board's investment in capital assets for its governmental and business-type activities was \$533.9 million, representing an increase of \$8.4 million (net of depreciation), as shown in the following tables:

	June 30, 2008	June 30, 2007	Percent Change
Governmental activities:			
Land and improvements	\$ 56,444,909	\$ 54,690,555	3.2%
Buildings and improvements *	801,230,981	755,831,450	6.0%
Technology *	82,906,210	89,091,798	-6.9%
Buses and vehicles *	69,202,240	64,504,601	7.3%
Furniture, fixtures and other *	27,296,994	24,902,020	9.6%
Construction in progress	34,990,251	55,793,451	-37.3%
 Total	 1,072,071,585	 1,044,813,875	 2.6%
Less: accumulated depreciation	562,527,326	544,475,296	3.3%
 Governmental assets net of depreciation	 <u>\$ 509,544,259</u>	 <u>\$ 500,338,579</u>	 1.8%
	June 30, 2008	June 30, 2007	Percent Change
Business-type activities:			
Land and improvements	\$ 1,000,000	\$ 1,000,000	
Buildings and improvements	17,056,800	17,056,800	
Technology *	605,939	458,729	32.1%
Buses and vehicles	1,371,261	1,310,348	4.6%
Furniture, fixtures and other	23,872,496	23,315,238	2.4%
 Total	 43,906,496	 43,141,115	 1.8%
Less: accumulated depreciation	19,508,211	17,969,045	8.6%
 Business-type assets net of depreciation	 <u>\$ 24,398,285</u>	 <u>\$ 25,172,070</u>	 -3.1%
Total Capital Assets Governmental and Business-type activities	<u>\$ 533,942,544</u>	<u>\$ 525,510,649</u>	1.6%

* Two new elementary schools were completed and opened at the beginning of the 2007-2008 school year, and were moved from Construction-in-Progress to Buildings. The decrease in Technology Equipment was due to substantial cost reductions over the last five years. While the number of computer purchases was similar to the number retired, the average cost of desktop computers that were retired in 2008 was \$1,650 while the average cost of desktop computers purchased in 2008 was \$455. The cost variance holds true for the majority of Technology Equipment. Business-Type Technology Equipment's increase was due to assets being transferred between Governmental and Business-Type assets to properly record the nature of their use. Buses and Vehicle's increase of \$4.7 million can be attributed to purchasing 92 school buses for \$6.4 million and retiring 62 buses for just under \$2 million. The number of buses purchased was higher than an average year because we increased our purchases prior to vendor price increases. The remainder of the increase derives from accumulated cost increases resulting in our retirements being substantially lower valued than our new buses. Other General Equipment's increase resulted from cost savings initiatives whereby we invested in professional printing equipment to bring this expense in-house.

A long-range facility plan is developed by Board facility personnel through evaluation of every building, identification of appropriate renovations and analysis of demographic census to determine future growth needs. All findings are shared with each school for review by staff, SBDM councils and PTA. Adjustments are made to the plan after the reviews.

The long-range facility plan provides a detail of the unmet needs for the Board for the next four years. The plan is submitted to the Kentucky Department of Education for approval. At June 30, 2008, the unmet needs for the Board totaled an estimated cost of \$326.1 million.

Funding for these needs is typically provided from the General Fund, Construction Fund or through Bond issues. Bond issues are paid with Building Funds (local 5-cent property tax), State Capital Outlay funds at \$100 per student or the Kentucky State Facility Construction Commission ("KSFCC") funds. To ensure continued academic success for our students, we must provide a learning environment that is safe, functional, inviting and well-maintained.

Additional information on the Board's capital assets can be found in Note E of this report. Information concerning bonds and long-term liabilities is in Note F of this report.

Debt Service Fund

At year-end, the Board had approximately \$433.0 million in outstanding debt, compared to \$458.1 million last year. The Board continues to maintain favorable debt ratings from Moody's and Standard & Poor's.

Local Economic Outlook

The Jefferson County economy is slowing, although it is generally part of one of the most resilient regional economies in America. Inherent strength can be found in the balance among the educational, health and social services, manufacturing, professional services, retail trade, tourism, insurance, and transportation sectors. These factors help Jefferson County's economy maintain a certain buoyancy during national recessions. Recently, the construction of the Muhammad Ali Center and Churchill Downs' largest expansion ever, were completed. Future economic growth has been announced with an ongoing expansion to UPS's Worldport Facility, construction of additional housing and condominiums constructed in Louisville's revitalized downtown, and construction of a downtown arena. Together, these new investments will bring over \$2.5 billion dollars to the local economy.

Jefferson County's central location, extensive transportation network and quality of life are factors in attracting and maintaining a healthy business community. In the past few years, the County has been declared America's most livable city by the U.S. Conference of Mayors, #1 place to start and grow a business by *Entrepreneur* Magazine, #20 best place for business expansion by *Expansion Management* Magazine, and #15 top place to do business by *Inc.* Magazine. The City's average unemployment rate decreased to 5.3% in 2007 from 5.6% in 2006, according to the US Department of Labor's Bureau of Labor Statistics, but increased to 6.5% through June 2008 as the economy turned downward. Metro Louisville is slightly under the state average of 5.5% in 2007.

Metro Louisville has many initiatives designed to increase the quality of life and stimulate the business environment. Having declared Louisville “the City of Parks,” Metro Louisville has embarked on an initiative to encircle the city with a contiguous loop of hiking trails, and maintain its three Olmstead parks, 85-acre Waterfront Park and Jefferson Memorial Forest, the largest urban forest in the United States. Metro Louisville is also working to hire more police officers, and increase communication systems for its police, fire and emergency medical systems. Metro Louisville is assisting its fastest growing companies through Project High Impact, which assists these companies with various needs such as hiring, real estate, and incentives, and is working on numerous economic development, housing, library expansion, and drainage and maintenance projects.

Overall, with many local and national businesses expanding their footprint in Jefferson County and excellent quality of life, Jefferson County’s economy has the stability necessary to minimize the impact of economic downturns.

Contacting the Jefferson County Board of Education Management

This financial report is designed to provide a general overview of the finances of the Jefferson County Board of Education and to show management’s accountability for these funds. If you have questions about this report or need additional information, contact the Chief Financial Officer/Treasurer of the Jefferson County Board of Education, P. O. Box 34020, Louisville, Kentucky 40232-4020.

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Statement of Net Assets

Jefferson County Board of Education

June 30, 2008

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 210,423,799	\$ 3,312,607	\$ 213,736,406
Investments	39,940,519		39,940,519
Accounts and grants receivable from outside sources	36,181,139	2,717,374	38,898,513
Prepaid expenses	3,310,581		3,310,581
Inventories	4,930,086	2,381,115	7,311,201
Capital assets, net of accumulated depreciation	509,544,259	24,398,285	533,942,544
Bond issuance costs	1,435,974		1,435,974
Internal balances	2,539,858	(2,555,691)	(15,833)
Total Assets	808,306,215	30,253,690	838,559,905
Liabilities			
Accounts payable and accrued liabilities due to outside sources	55,313,166	823,634	56,136,800
Unearned revenue	15,832,634		15,832,634
Accrued interest payable	7,348,413		7,348,413
Estimated liability for workers' compensation benefits	11,805,898		11,805,898
Accrued vacation pay	6,970,185		6,970,185
Accrued sick leave	33,632,000		33,632,000
School building revenue bonds			
Due within one year	25,202,770	849,525	26,052,295
Due in more than one year	396,891,691	10,006,546	406,898,237
Total Liabilities	552,996,757	11,679,705	564,676,462
Net Assets			
Invested in capital assets, net of related debt	87,449,798	13,542,214	100,992,012
Restricted for			
Capital projects and construction	119,975,819		119,975,819
Unrestricted	47,883,841	5,031,771	52,915,612
Total Net Assets	\$ 255,309,458	\$ 18,573,985	\$ 273,883,443

See Notes to Financial Statements

Statement of Activities

Jefferson County Board of Education

Year Ended June 30, 2008

Functions/Programs	Total District-wide Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction	\$ 549,932,850	\$ 1,114,407	\$ 105,294,200	\$ (443,524,243)
Student support services	45,509,104			(45,509,104)
Instructional staff support services	90,993,211			(90,993,211)
District administrative support services	7,130,993			(7,130,993)
School administrative support services	71,838,251			(71,838,251)
Business support services	34,326,827			(34,326,827)
Community services	8,670,699			(8,670,699)
Transportation	67,519,376			(67,519,376)
Plant operations and maintenance	98,100,755		9,090,946	(89,009,809)
Other instructional support services	166,191			(166,191)
Other	3,305,599			(3,305,599)
Interest	19,214,136			(19,214,136)
Total governmental activities	996,707,992	1,114,407	114,385,146	(881,208,439)
Business-type activities				
School food services	45,436,764	12,728,447	31,085,007	(1,623,310)
Adult education	850,873	731,063		(119,810)
Tuition-based pre-school	1,606,645	1,444,682	44,456	(117,507)
Day care operations	775,998	645,332		(130,666)
Total business-type activities	48,670,280	15,549,524	31,129,463	(1,991,293)
Total Activities	<u>\$ 1,045,378,272</u>	<u>\$ 16,663,931</u>	<u>\$ 145,514,609</u>	<u>\$ (883,199,733)</u>
		Governmental Activities	Business-Type Activities	Total
Changes in net assets				
Net Expense		\$ (881,208,439)	\$ (1,991,293)	\$ (883,199,733)
General revenues				
Taxes				
Property taxes		319,540,044		319,540,044
Occupational taxes		115,133,756		115,133,756
Other taxes		36,241,922		36,241,922
State sources				
SEEK program		265,416,143		265,416,143
Other state revenues and grants		171,494,761		171,494,761
Interest and investment earnings		11,315,475	219,327	11,534,802
Miscellaneous		5,280,030	54,922	5,334,952
Total general revenues		924,422,131	274,249	924,696,380
Change in net assets		43,213,691	(1,717,044)	41,496,647
Net assets, beginning of year		212,095,767	20,291,029	232,386,796
Net assets, end of year		<u>\$ 255,309,458</u>	<u>\$ 18,573,985</u>	<u>\$ 273,883,443</u>

See Notes to Financial Statements

Balance Sheet - Governmental Funds

Jefferson County Board of Education

June 30, 2008

	General Fund	Grants & Awards Fund	Construction Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 205,825,081		\$ 4,517,542	\$ 81,176	\$ 210,423,799
Investments	39,940,519				39,940,519
Accounts and grants receivable from outside sources	16,473,222	\$ 19,707,917			36,181,139
Prepaid expenditures	3,310,581				3,310,581
Inventories	4,930,086				4,930,086
Due from other funds	21,297,260	16,451,930	120,187,503	575,966	158,512,659
Total Assets	\$ 291,776,749	\$ 36,159,847	\$ 124,705,045	\$ 657,142	\$ 453,298,783
Liabilities					
Accounts payable and accrued liabilities due to outside sources	\$ 48,630,611	\$ 2,484,713	\$ 4,729,226	\$ 575,966	\$ 56,420,516
Due to other funds	138,049,125	17,842,500		81,176	155,972,801
Deferred revenue		15,832,634			15,832,634
Total Liabilities	186,679,736	36,159,847	4,729,226	657,142	228,225,951

Continued

Balance Sheet - Governmental Funds--Continued

Jefferson County Board of Education

June 30, 2008

	General Fund	Grants & Awards Fund	Construction Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances					
Reserved for:					
Encumbrances	12,953,330		18,158,575		31,111,905
Inventories	4,930,086				4,930,086
State mandated reserve	35,800,000				35,800,000
Unreserved, designated			101,817,244		101,817,244
Unreserved	51,413,597				51,413,597
Total Fund Balances	105,097,013		119,975,819		225,072,832
Total Liabilities and Fund Balances	<u>\$ 291,776,749</u>	<u>\$ 36,159,847</u>	<u>\$ 124,705,045</u>	<u>\$ 657,142</u>	<u>\$ 453,298,783</u>

Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities

Total Governmental Fund Balances \$ 225,072,832

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources
and are not reported in the fund financial statements. 510,980,233

Long-term liabilities, including bonds payable, are not due and payable in the current period
and are not reported in the fund financial statements (480,743,607)

Net Assets of Governmental Activities \$ 255,309,458

Statement of Revenues, Expenditures and Changes in Fund Balances
- Governmental Funds

Jefferson County Board of Education

Year Ended June 30, 2008

	General Fund	Grants & Awards Fund	Construction Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Local sources					
Property taxes	\$ 288,055,716			\$ 31,484,328	\$ 319,540,044
Occupational taxes	115,133,756				115,133,756
Other taxes	32,015,201			4,226,721	36,241,922
State sources					
SEEK program	257,062,753			8,353,390	265,416,143
Other state revenues	128,488,030	\$ 43,006,731			171,494,761
KSFCC allocation				9,090,946	9,090,946
Grants (principally United States government and local agencies)		106,408,607			106,408,607
Interest	6,710,217	182,196	\$ 4,450,402		11,342,815
Other sources	7,839,812	21,111		360,111	8,221,034
Total Revenues	835,305,485	149,618,645	4,450,402	53,515,496	1,042,890,028
Expenditures					
Instruction	437,943,978	85,216,956			523,160,934
Student support services	42,640,275	3,077,096		43,232	45,760,603
Instructional staff support services	50,670,180	43,458,174			94,128,354
District administrative support services	4,583,697	56,945			4,640,642
School administrative support services	72,129,471	181,043			72,310,514
Business support services	34,047,771	2,063,287			36,111,058
Community services	316,096	8,214,587			8,530,683
Transportation	61,353,860	3,902,086			65,255,946
Plant operations and maintenance	98,138,882	410,592			98,549,474
Other instructional support services		166,872			166,872
Building renovations	5,791,585	445,216	28,626,702	634,079	35,497,582
Other		3,439,525	352		3,439,877
Debt service					
Principal				24,349,338	24,349,338
Interest				18,755,506	18,755,506
Total Expenditures	807,615,795	150,632,379	28,627,054	43,782,155	1,030,657,383

Continued

Statement of Revenues, Expenditures and Changes in Fund Balances
- Governmental Funds--Continued

Jefferson County Board of Education

Year Ended June 30, 2008

	General Fund	Grants & Awards Fund	Construction Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues in Excess of (Less Than) Expenditures	27,689,690	(1,013,734)	(24,176,652)	9,733,341	12,232,645
Other Financing Sources (Uses)					
Proceeds of school building revenue bonds, net of discount			1,068,000		1,068,000
Transfers to Proprietary Funds	(2,901,550)	(39,456)			(2,941,006)
Operating transfers in		2,245,485	10,962,498	34,013,898	47,221,881
Operating transfers out	(428,301)	(1,192,295)	(1,261,219)	(44,340,066)	(47,221,881)
Total Other Financing Sources (Uses)	<u>(3,329,851)</u>	<u>1,013,734</u>	<u>10,769,279</u>	<u>(10,326,168)</u>	<u>(1,873,006)</u>
Net Change in Fund Balances	24,359,839		(13,407,373)	(592,827)	10,359,639
Fund Balances, Beginning of Year, as restated	<u>80,737,174</u>		<u>133,383,192</u>	<u>592,827</u>	<u>214,713,193</u>
Fund Balances, End of Year	<u>\$ 105,097,013</u>	<u>\$</u>	<u>\$ 119,975,819</u>	<u>\$</u>	<u>\$ 225,072,832</u>

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities**

Net Change in Fund Balances - Total Governmental Funds \$ 10,359,639

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period 9,205,680

Issuance and repayment of bonds are other financing sources and expenditures in the governmental funds, but increase or decrease long-term liabilities in the Statement of Net Assets 24,349,340

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds (700,968)

Change in Net Assets of Governmental Activities \$ 43,213,691

See Notes to the Financial Statements

Statement of Net Assets - Proprietary Funds

Jefferson County Board of Education

June 30, 2008

	Enterprise Funds		
	School Food Services	Total Nonmajor Enterprise Funds	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 3,065,633	\$ 246,974	\$ 3,312,607
Accounts and grants receivable from outside sources	2,715,354	2,020	2,717,374
Inventories	2,381,115		2,381,115
Due from other funds		183,771	183,771
Total Current Assets	8,162,102	432,765	8,594,867
Capital Assets, net of accumulated depreciation	24,398,285		24,398,285
Total Assets	32,560,387	432,765	32,993,152
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities due to outside sources	820,332	3,302	823,634
Due to other funds	2,716,753	22,709	2,739,462
Current maturities of school building revenue bonds	849,525		849,525
Total Current Liabilities	4,386,610	26,011	4,412,621
School building revenue bonds	10,006,546		10,006,546
Total Liabilities	14,393,156	26,011	14,419,167
Net Assets			
Invested in capital assets, net of related debt	13,542,214		13,542,214
Unrestricted	4,625,017	406,754	5,031,771
Total Net Assets	\$ 18,167,231	\$ 406,754	\$ 18,573,985

See Notes to Financial Statements

Statement of Revenues, Expenses and Changes in
Net Assets - Proprietary Funds

Jefferson County Board of Education

Year Ended June 30, 2008

	Enterprise Funds		
	School Food Services	Total Nonmajor Enterprise Funds	Total
Operating Revenues			
Lunchroom sales	\$ 12,728,447		\$ 12,728,447
Tuition and fees		\$ 2,821,077	2,821,077
Total Operating Revenues	12,728,447	2,821,077	15,549,524
Operating Expenses			
Salaries and personnel services	15,860,715	2,544,755	18,405,470
Employee benefits	4,017,045	314,310	4,331,355
Purchased professional services	13,793	563	14,356
Purchased property and maintenance services	3,581,354	675	3,582,029
Other purchased services	402,029	136,280	538,309
Supplies and materials	17,614,831	183,837	17,798,668
Property	876,668	25,322	901,990
Miscellaneous	78,605	22,774	101,379
Depreciation	2,436,922		2,436,922
Other	164,538		164,538
Total Operating Expenses	45,046,500	3,228,516	48,275,016
Loss From Operations	(32,318,053)	(407,439)	(32,725,492)
Non-Operating Revenues (Expenses)			
Federal grants	25,429,673	87,735	25,517,408
State grants	429,267		429,267
Donated commodities	2,236,782		2,236,782
District support	2,901,550	39,456	2,941,006
Interest income	202,232	17,095	219,327
Interest expense	(390,264)		(390,264)
Miscellaneous	54,922		54,922
Total Non-Operating Revenues (Expenses)	30,864,162	144,286	31,008,448
Change in Net Assets	(1,453,891)	(263,153)	(1,717,044)
Net Assets, Beginning of Year	19,621,122	669,907	20,291,029
Net Assets, End of Year	\$ 18,167,231	\$ 406,754	\$ 18,573,985

See Notes to Financial Statements

Statement of Cash Flows - Proprietary Funds

Jefferson County Board of Education

Year Ended June 30, 2008

	Enterprise Funds		
	School Food Services	Total Nonmajor Enterprise Funds	Totals
Cash Flows From Operating Activities			
Cash received from customers	\$ 13,229,323	\$ 3,001,165	\$ 16,230,488
Cash paid to suppliers	(19,818,199)	(406,665)	(20,224,864)
Cash paid to employees	(19,877,760)	(2,859,065)	(22,736,825)
Cash paid for other expenses	(256,936)	(23,337)	(280,273)
Net Cash Provided by (Used in) Operating Activities	(26,723,572)	(287,902)	(27,011,474)
Cash Flows From Capital and Related Financing Activities			
Additions to property and equipment	(1,663,137)		(1,663,137)
Disposals of property and equipment	54,922		54,922
District support	2,901,550	39,456	2,941,006
Interest paid	(390,264)	17,095	(373,169)
Payments of school building revenue bonds	(837,957)		(837,957)
Net Cash Provided By (Used in) Capital and Related Financing Activities	65,114	56,551	121,665
Cash Flows from Noncapital Financing Activities			
Interest income	202,232		202,232
Cash received for operational grants	25,858,940	87,735	25,946,675
Net Cash Flows from Noncapital Financing Activities	26,061,172	87,735	26,148,907
Increase (Decrease) in Cash and Cash Equivalents	(597,286)	(143,616)	(740,902)
Cash and Cash Equivalents, Beginning of Year	3,662,919	390,590	4,053,509
Cash and Cash Equivalents, End of Year	\$ 3,065,633	\$ 246,974	\$ 3,312,607

Continued

Statement of Cash Flows - Proprietary Funds--Continued

Jefferson County Board of Education

Year Ended June 30, 2008

	Enterprise Funds		
	School Food Services	Total Nonmajor Enterprise Funds	Totals
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities			
(Loss) from operations	\$ (32,318,053)	\$ (407,439)	\$ (32,725,492)
Adjustments to reconcile (loss) from operations to cash provided by (used in) operating activities:			
Depreciation	2,436,922		2,436,922
Donated commodities used in operations	2,236,782		2,236,782
Change in accounts and grants receivable	500,876	21,573	522,449
Change in amounts due from other funds		158,515	158,515
Change in inventories	(358,422)		(358,422)
Change in amounts due to other funds	293,563	(61,691)	231,872
Change in accounts payable and accrued liabilities	484,760	1,140	485,900
Net Cash Provided by (Used in) Operating Activities	\$ (26,723,572)	\$ (287,902)	\$ (27,011,474)

Summary of Noncash Financing Activity

During the year, the Board received \$2,236,782 of food commodities from the United States Department of Agriculture.

See Notes to the Financial Statements

Statement of Net Assets - Fiduciary Funds

Jefferson County Board of Education

June 30, 2008

	<u>Total Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 5,375,015
Investments	1,359,076
Accounts and grants receivable from outside sources	124,161
Inventories	361,489
Due from other funds	<u>649,955</u>
Total Assets	<u><u>\$ 7,869,696</u></u>
Liabilities	
Accounts payable and accrued liabilities due to outside sources	\$ 309,112
Due to other funds	634,122
Due to student groups	<u>6,926,462</u>
Total Liabilities	<u><u>\$ 7,869,696</u></u>

See Notes to Financial Statements

Note A--Reporting Entity

The Jefferson County Board of Education (the "Board") is established under and governed by the Kentucky School Laws and maintains a system of schools primarily for kindergarten through twelfth grade, but also including pre-school, vocational and adult education. The Board is a school district of the Commonwealth of Kentucky having boundaries coterminous with the boundaries of Jefferson County, excluding the City of Anchorage.

The accompanying financial statements include all funds and activities of the Board, including the Jefferson County School District Finance Corporation (the "Corporation"), a non-stock, not-for-profit corporation. The Corporation was created to act as an agency in the acquisition and financing of any capital project which may be undertaken by the Board. Accounts of the Corporation are included in the financial statements as a capital projects fund.

The Board is not includable as a component unit within another reporting entity. Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to develop policies which may influence operations and primary accountability for fiscal matters.

Note B--Summary of Significant Accounting Policies

The financial statements of the Board have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Board has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board ("FASB") pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989 to its proprietary funds and fiduciary funds, unless those pronouncements conflict with or contradict GASB pronouncements.

Note B--Summary of Significant Accounting Policies--Continued

The following is a summary of the significant accounting policies:

District-wide and Fund Financial Statements--The District-wide financial statements (the Statement of Net Assets and the Statement of Activities) display information about the reporting government as a whole. These statements report information on all the activities of the Board, except for the fiduciary funds. The doubling-up effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax revenues, are reported separately from business-type activities, which rely significantly on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to students or parents who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues. The Board allocates certain indirect costs to be included in the program expense reported for individual functions and activities in the District-wide Statement of Activities.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though fiduciary funds are excluded from the District-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus and Basis of Accounting--The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Each fund is a separate accounting entity with a self-balancing set of accounts. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible during the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and workers' compensation claims, are recorded only when payment is due.

Continued

Note B--Summary of Significant Accounting Policies--Continued

Revenues susceptible to accrual are property taxes, interest revenue and charges for services. Occupational tax revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The Board reports deferred revenue on its District-wide Statement of Net Assets and fund financial statements. Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Board before it has a legal claim to them, as when grant moneys are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the Board has a legal claim to the resources, the liability for deferred revenue is removed from the District-wide Statement of Net Assets and fund financial statements, and revenue is recognized.

Funds are classified into three categories: governmental, proprietary and fiduciary.

The Board reports the following major governmental funds:

The General Fund is the Board’s primary operating fund, which accounts for all of the activities of the general government not required to be accounted for in another fund. Local taxes account for 45.3% of the General Fund revenues, while the Support Education Excellence in Kentucky (“SEEK”) program accounts for 25.5 % of General Fund revenues. SEEK is a program that began in 1990 as the result of the Kentucky Education Reform Act (“KERA”), and is basically the method by which state funding is obtained.

The Grants and Awards Fund is a special revenue fund which accounts for the activities of specific education related programs in accordance with restrictions established by the various grantors (primarily the United States Government and state and local governments). This includes certain KERA grants which carry grantor restrictions related to expenditures.

The Construction Fund accounts for funds from three sources. First, funds generated by sales of bond issues are used for various construction projects at educational facilities. Second, proceeds from the sale of properties and equipment owned by the Board are to be used at the discretion of the Board for future construction projects. Last, any funds remaining in the Capital Outlay and Building Funds at the end of the year are escrowed to pay for categorical priorities listed in the Long-Range Facility Plan, discussed on page 11 of the MD&A.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The Board reports as a major proprietary fund the School and Community Nutrition Services (“Food Service”) Program which provides certain food preparation at the Nutrition Center and serves breakfast and lunch at schools throughout Jefferson County.

Continued

Note B--Summary of Significant Accounting Policies--Continued

Fiduciary funds are used to account for assets held on behalf of outside parties or on behalf of other funds within the Board. This fund consists of trust funds for various scholarship programs administered by the Board on behalf of the third-party donors, and agency funds held on behalf of student organizations and segregated among elementary schools, middle schools and high schools. Since fiduciary funds are held on behalf of others, these funds are excluded from the District-wide financial statements on pages 13 – 14.

Cash and Cash Equivalents--The Board considers demand deposits, money market funds, and other investments with an original maturity of 90 days or less, to be cash equivalents.

Inventories--Inventories are valued at the lower of cost, using the first in, first out method, or market. The Food Service Fund's inventories consist of food and supplies valued at cost and U. S. Government commodities whose value is determined by the U. S. Department of Agriculture.

In the governmental funds balance sheet, reported inventories in the general fund are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of total assets.

Capital Assets--Capital assets include land, buildings, vehicles, office equipment, school equipment, and food service equipment, and are reported in the applicable governmental or business-type activities column in the District-wide Statement of Net Assets. The Board maintains a record of its capital assets, and those with a cost of \$1,000 or more are capitalized. Additions to capital assets are recorded at cost and depreciated using the straight-line method. The Board has elected not to capitalize interest on debt used to finance buildings. Capital assets are depreciated over estimated useful lives as determined by the Kentucky Department of Education, as follows:

	<u>Estimated life (years)</u>
Land improvements	20
Buildings	50
Building improvements	25
Carpet/tile	7
Technology equipment	5
School buses	10
Other vehicles	5
Rolling stock	15
Food service equipment	12
Furniture and fixtures	20
Audio-visual equipment	15
Other general equipment	10

Continued

Note B--Summary of Significant Accounting Policies--Continued

Estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

Fund Balance--In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. It is the Board's practice to liquidate restricted or reserved fund balances prior to unreserved or unrestricted funds.

Encumbrances are reported as a reservation of fund balance. Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. Encumbrances remaining open at the end of the fiscal year are automatically re-budgeted in the following fiscal year. A reservation of fund balance equal to outstanding encumbrances at year-end is provided for at June 30, 2008, in the governmental funds balance sheet.

Inventories are reported as a reservation of fund balance since inventories are not easily liquidated.

Statutorily, the Kentucky Department of Education may assume financial control over any school district whose fund balance drops below 2% of the total expenditures of certain funds. To maintain balances above this level, they recommend reserving at least 5%. While these funds are properly reserved and not budgeted for future years' expenditures, there is no restriction on how these funds would be used if the Board fell below this floor. For this reason, the funds are reported as a reservation of fund balance on the fund financial statements but they are not considered a restriction of net assets on the district-wide financial statements.

Property Tax Revenues--Property taxes are levied each November on the assessed value listed as of the prior January 1 for all real and personal property in Jefferson County. The billings are considered due upon receipt by the taxpayer; however, the actual due date is based on a period ending 30 days after the tax bill mailing.

On-Behalf Payments--The Commonwealth of Kentucky pays certain expenses on behalf of the Board. These expenses include employee health insurance, the employer match for the Kentucky Teachers Retirement System, and certain other employee benefits. For fiscal year 2007-2008, these payments totaled \$126,132,253. In the financial statements, these payments are recorded as an expense and Other State Revenue.

Budgetary Principles--The Superintendent must submit the proposed budget for all funds other than school-based activity funds (agency funds) to members of the Board each year. The Board will then discuss and, where so desired, amend the proposed budget and will adopt a final budget by September 30 of each fiscal year. Any adjustments to the adopted budget must be approved by the Board.

Budget information is presented for the General Fund and other funds with a legally-appropriated budget. This budgetary data is prepared on the modified accrual basis of accounting. Budgetary revenues represent original estimates modified for any adjustments authorized by the Board during the fiscal year. Budgetary expenditures represent original appropriations adjusted for budget transfers and additional appropriations approved during the fiscal year. Although budgets are prepared on a line-item basis by cost center for each department, expenditures may legally exceed budget in these areas but may not exceed the budget in total.

Continued

Note B--Summary of Significant Accounting Policies--Continued

Interfund Receivables and Payables--Each fund is a separate fiscal and accounting entity, and thus interfund transactions are recorded in each fund affected by a transaction. Interfund receivables and payables for the Board arise generally from two types of transactions: 1) all funds are initially received into the General Fund, thus a payable and receivable are established in the appropriate funds; and 2) payments are from the General Fund checking account, which may not have the legal liability for the expenditure, thus a payable from the fund having the legal liability is established at such time. Typically, interfund receivables and liabilities are resolved monthly, and all of these balances should be resolved within a year. All interfund receivables and payables, other than those between governmental and fiduciary funds, have been eliminated on the District-wide Statement of Net Assets.

	<u>Due from other Funds Reported in General Fund</u>	<u>Due to other Funds Reported in General Fund</u>
Special Revenue Fund	\$ 17,842,500	\$ 16,451,930
Construction Fund		120,187,503
Nonmajor Governmental Funds	81,176	575,966
Food Service Fund	2,716,753	
Nonmajor Enterprise Funds	22,709	183,771
Agency Funds	634,122	649,955
	<u>\$ 21,297,260</u>	<u>\$ 138,049,125</u>

Transfers to other funds--Although each fund is its own distinct reporting entity, periodically, funds have cause to transfer their revenues to other funds. The most common reasons necessitating interfund transfers are for debt service payments and grant matching funds. Debt service payments may be paid from revenues in the Capital Outlay Fund, Building Fund, Construction Fund, Food Service Fund, or one grant within the Grants & Awards Fund, but the expenditures are recorded in the Debt Service Fund with transfers recorded to keep the funds in balance. At times, the Board receives grants which require an amount of matching funds. Usually, General Fund supplies this match offset by operating transfers to the Grants & Awards Fund.

Continued

Note B--Summary of Significant Accounting Policies--Continued

The following is a schedule of the Board's operating transfers during the year:

	<u>Transfers from other funds</u>	<u>Transfers to other funds</u>	
General Fund		\$ 3,329,851	Food Service facilities rent forgiven plus grant matching
Special Revenue Fund	\$ 2,245,485	1,231,751	Grant matching funds and debt service paid from grant
Construction Fund	10,962,498	1,261,219	Debt service payments
Nonmajor Governmental Funds	34,013,898	44,340,066	Debt service payments and funds closed into Grants & Awards Fund
Food Service Fund	2,901,550		Facilities rent forgiven by General Fund
Nonmajor Enterprise Funds	44,456	5,000	Grant matching funds and shortfall made up by General Fund
	<u>\$ 50,167,887</u>	<u>\$ 50,167,887</u>	

Note C--Cash, Cash Equivalents and Investments

The Board's deposits are maintained in six designated financial institutions. Deposits at all these financial institutions are entirely insured by federal depository insurance or by collateral held by the financial institutions in the Board's name, as is required by the Board's investment policy though custodial credit risk is not specifically mentioned in this policy. During the year, the Board invests excess cash into short-term United States Government obligations or bank certificates of deposit, collateralized by U.S. Government securities. These investments are either insured or securities are held by the pledging financial institution's trust department in the Board's name.

In compliance with Kentucky Statutes, the Board's investment policy DFA specifies that the Board's investment objectives, in order of priority are the following:

- a. Safety of principal
- b. Liquidity to enable the Board to meet all operating requirements
- c. Return on Investment

Continued

Note C--Cash, Cash Equivalents and Investments--Continued

The complete investment policy DFA is available at <http://www.jefferson.k12.ky.us/Departments/GeneralCounsel/boardpolicy0702.pdf>. Investments consist of certificates of deposit and U.S. Government agency securities. The certificates of deposit are held by management in the Governmental Funds and by various schools' activity funds in the Fiduciary Funds. These are held at several financial institutes located in Jefferson County, Kentucky, and have various rates of interest and maturity dates greater than ninety days. Such investments are stated at fair market value as of June 30. These investments are covered by depositor insurance or by collateral held by the financial institutions in the Board's name. The U.S. Government Securities also have maturities greater than ninety days and their value has been adjusted to the market value for these securities on the Statement of Net Assets.

As of June 30, 2008, the Board had the following investments:

<u>Fund Type</u>	<u>Investment Type</u>	<u>Fair Value</u>	<u>Moody's Rating</u>	<u>Weighted Average Maturity in Years</u>
Governmental	Federal Home Loan Mortgage Corporation	\$ 39,940,519	Aaa	2.97
Agency	Certificates of Deposit	<u>1,359,076</u>		1.51
		<u>\$ 41,299,595</u>		

GASB No 40, *Deposits and Investment Risk Disclosures*, requires the Board to address the following risks related to its investments:

Credit Risk--Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. In an effort to minimize the likelihood that an issuer will default, the Board has limited the number of permissible investments under its investment policy to certain highly rated investments.

In accordance with this policy, the Board is authorized to invest in the following:

- Obligations of the United States and of its agencies, national corporations, and instrumentalities, including repurchase agreements
- Certificates of deposit issued by banks or savings and loan institutions
- Bonds or certificates of indebtedness of the Commonwealth of Kentucky and of its agencies and municipalities
- Securities issued by a state or local government, or any instrumentality of agency thereof, in the United States, but only if fully defeased by direct obligations of or guaranteed by the United States of America
- Interest bearing deposits in national and state banks chartered in Kentucky and insured by an agency of the United States up to the amount so insured, and in larger amounts providing such bank shall pledge as security obligations having a current quoted market value at least equal to any uninsured deposits.

Continued

Note C--Cash, Cash Equivalents and Investments--Continued

Custodial Credit Risk--Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments held by the Board are insured or collateralized with securities held by the Board or by the financial institution in the Board's name. The securities held as collateral are maintained either by the Federal Reserve or in the trust area of major national banks.

Interest Rate Risk--Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The Board manages its exposure to declines in fair value by purchasing a combination of cash holdings, shorter-term, and longer-term investments. The Board's investments in Federal Home Loan Mortgage Corporation securities are callable instruments and particularly carry this form of risk. The Board has no formal policies relating to interest rate risk.

Concentration of Credit Risk--The Board's investment policy places no limit on the amount the Board may invest with any one issuer; however, all holdings must be collateralized with securities held in the Board's name.

Note D--Receivables

The Board recognizes revenues as receivable when they are measurable and receipt is certain. Concentration of credit risk with respect to the receivables from federal and state governments is limited due to the historical stability of those institutions. While the Board receives revenues from many different sources throughout the year, the accounts and grants receivable from outside sources may be grouped into the following categories:

	Governmental Funds	Proprietary Funds	Total
Accounts and grants receivable from outside sources			
Accounts receivable	\$ 963,700	\$ 660,929	\$ 1,624,629
Taxes receivable	15,509,522		15,509,522
Grants receivable	19,707,917	2,056,445	21,764,362
	<u>\$ 36,181,139</u>	<u>\$ 2,717,374</u>	<u>\$ 38,898,513</u>

Federal and state grants to be used or expended as specified by the grantor are recognized as revenue and recorded as receivables as qualifying expenditures are made.

Continued

Note D—Receivables--Continued

The following is the Board's property tax calendar:

<u>Date</u>	<u>Event</u>
January 1, year of levy	Assessment date
October 1, year of levy	Taxes levied
November 30, year of levy	2% discount allowed
December 31, year of levy	1% discount allowed
January 31, following year	Gross amount due
February 1, following year	Delinquent date, 1½ % interest added per month
April 1, following year	10% penalty added

Unpaid property taxes attach as an enforceable lien on real property as of the delinquent date. The Jefferson County Clerk's Office collects personal property tax on vehicles when registered. The Jefferson County Sheriff's Office bills and collects all property taxes on real estate and other personal property on behalf of the Board. Board property tax revenues are recognized when levied to the extent that they result in current receivables.

Although the Board has taxes receivable from a variety of constituents, a substantial portion of the debtors' ability to honor this debt is dependent upon the widely diverse economic environment of the Commonwealth of Kentucky and the local area.

Note E--Capital Assets

Activity in capital assets during the year ended June 30, 2008 consisted of the following:

	Balance July 1, 2007	Additions	Dispositions	Balance June 30, 2008
Governmental Activities				
Land and land improvements	\$ 54,690,555	\$ 5,247,354	\$ 3,493,000	\$ 56,444,909
Buildings & building improvements	755,831,450	47,188,382	1,788,851	801,230,981
Technology	89,091,798	9,013,630	15,199,218	82,906,210
Vehicles	64,504,601	7,067,251	2,369,612	69,202,240
General Equipment	24,902,020	2,957,160	562,186	27,296,994
Construction in progress	55,793,451	31,937,119	52,740,319	34,990,251
	<u>1,044,813,875</u>	<u>103,410,896</u>	<u>76,153,186</u>	<u>1,072,071,585</u>
Less Accumulated Depreciation				
Land and land improvements	16,402,378	807,367	963	17,208,782
Buildings & building improvements	402,743,554	21,137,386	1,255,364	422,625,576
Technology	70,075,376	8,591,308	15,074,595	63,592,089
Vehicles	40,196,575	4,903,073	2,356,067	42,743,581
General Equipment	15,057,413	1,681,522	381,637	16,357,298
Construction in progress	<u>544,475,296</u>	<u>37,120,656</u>	<u>19,068,626</u>	<u>562,527,326</u>
	<u><u>\$ 500,338,579</u></u>	<u><u>\$ 66,290,240</u></u>	<u><u>\$ 57,084,560</u></u>	<u><u>\$ 509,544,259</u></u>

Continued

Note E--Capital Assets--Continued

	Balance July 1, 2007	Additions	Dispositions	Balance June 30, 2008
Business-type Activities				
Land and land improvements	\$ 1,000,000			\$ 1,000,000
Buildings & building improvements	17,056,800			17,056,800
Technology	458,729	\$ 176,609	\$ 29,399	605,939
Vehicles	1,310,348	190,650	129,737	1,371,261
General Equipment	23,315,238	1,400,268	843,010	23,872,496
	<u>43,141,115</u>	<u>1,767,527</u>	<u>1,002,146</u>	<u>43,906,496</u>
 Less Accumulated Depreciation				
Land and land improvements				
Buildings & building improvements	2,305,496	774,520		3,080,016
Technology	350,388	220,693	33,703	537,378
Vehicles	1,092,077	95,095	129,736	1,057,436
General Equipment	14,221,084	1,346,615	734,318	14,833,381
	<u>17,969,045</u>	<u>2,436,923</u>	<u>897,757</u>	<u>19,508,211</u>
	<u><u>\$ 25,172,070</u></u>	<u><u>\$ (669,396)</u></u>	<u><u>\$ 104,389</u></u>	<u><u>\$ 24,398,285</u></u>

Depreciation expense for business-type activities was entirely incurred in the operation of the Board's school food services program. Depreciation for governmental activities is included in the following functional categories:

Instruction	\$ 29,013,980
Student Support Services	423
Staff Support Services	5,912
District Administrative Support Services	2,514,829
Business Support Services	99,162
Plant Operation and Maintenance	628,771
Student Transportation	4,680,386
Community Service Operations	<u>177,193</u>
	<u><u>\$ 37,120,656</u></u>

Note F--Long-Term Liabilities

School Building Revenue Bonds

		<u>Original</u>	<u>Outstanding</u>
1994	Series B, interest rate at 4.875%, principal and interest payable semiannually on March 1 and September 1, with maturities through 2010	\$ 5,350,000	\$ 1,730,000
1998	Series A, interest rates ranging from 4.50% to 4.70%, principal and interest payable semiannually on February 1 and August 1, with maturities through 2018	14,560,000	8,855,000
1998	Series B, interest rates ranging from 4.40% to 4.5%, principal and interest payable semiannually on February 1 and August 1, with maturities through 2011	16,425,000	4,240,000
1998	Series C, interest rate of 4.5%, principal and interest payable semiannually on February 1 and August 1, with maturities through 2019	50,050,000	42,280,000
1999	Series A, interest rates ranging from 5.2% to 5.25%, principal and interest payable semiannually on January 1 and July 1, with maturities through 2019	40,835,000	37,925,000
2001	Series 2000 QZAB, non-interest bearing and full bond liability due at maturity in September 2012	5,500,000	5,500,000
2001	Series A, interest rates ranging from 4.375% to 5.0%, principal and interest payable semiannually on April 1 and October 1, with maturities through 2021	15,565,000	14,790,000
2001	Series B, interest rates ranging from 4.25% to 4.5%, principal and interest payable semiannually on January 1 and July 1, with maturities through 2013	11,145,000	7,100,000
2002	Series A, interest rates ranging from 5.00% to 5.5%, principal and interest payable semiannually on January 1 and July 1, with maturities through 2022	35,095,000	34,110,000
2002	Series B, interest rates ranging from 3.75% to 4.75%, principal and interest payable semiannually on December 1 and June 1, with maturities through 2022	40,625,000	17,800,000

Continued

Note F--Long Term Liabilities –Continued

	<u>Original</u>	<u>Outstanding</u>
2003 Series A, interest rates ranging from 3.0% to 3.5%, principal and interest payable semiannually on January 1 and July 1, with maturities through 2015	48,560,000	35,025,000
2004 Series A, interest rates ranging from 2.50% to 4.5%, principal and interest payable semiannually on January 1 and July 1, with maturities through 2024	30,570,000	25,995,000
2004 Series B, interest rates ranging from 3.0% to 4.0%, principal and interest payable semiannually on May 1 and November 1, with maturities through 2016	40,345,000	29,130,000
2004 Series C, interest rates ranging from 2.75% to 4.375%, principal and interest payable semiannually on March 1 and September 1, with maturities through 2024	20,635,000	19,000,000
2005 Series A, interest rates ranging from 3.5% to 4.375%, principal and interest payable semiannually on June 1 and December 1, with maturities through 2025	21,155,000	20,960,000
2006 Series A, interest rates ranging from 4.0% to 5.0%, principal and interest payable semiannually on July 1 and January 1, with maturities through 2026	41,000,000	40,515,000
2006 Series B, interest rates ranging from 3.5% to 4.75%, principal and interest payable semiannually on December 1 and June 1, with maturities through 2026	20,000,000	19,990,000
2006 Series C, interest rates ranging from 3.625% to 4.0%, principal and interest payable semiannually on September 1 and March 1, with maturities through 2021	46,995,000	43,980,000
2007 Series A, interest rates ranging from 4.125% to 4.75%, principal and interest payable semiannually on December 1 and June 1, with maturities through 2027	19,970,000	19,870,000
2007 KISTA, non-interest bearing, principal payable semiannually on November 1 and May 1, with maturities through 2011	5,936,475	4,155,532
	<u>\$ 530,316,475</u>	<u>\$ 432,950,532</u>

Continued

Note F--Long-Term Liabilities--Continued

Bonds outstanding as of June 30, 2008, are reported in the accompanying District-wide Statement of Net Assets as follows:

	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
Governmental activities	\$ 25,202,770	\$ 396,891,691	\$ 422,094,461
Business-type activities	<u>849,525</u>	<u>10,006,546</u>	<u>10,856,071</u>
	<u><u>\$ 26,052,295</u></u>	<u><u>\$ 406,898,237</u></u>	<u><u>\$ 432,950,532</u></u>

The School Building Revenue Bonds listed below are subject to redemption prior to their stated maturity dates at the option of the Board. The redemption prices include a premium of 1% to 3% of the outstanding principal amounts. The earliest allowable redemption dates for each Series are as follows:

1998 Series A	February 2008	2004 Series B	May 2014
1998 Series B	February 2008	2004 Series C	September 2014
1998 Series C	February 2009	2005 Series A	June 2015
1999 Series A	July 2009	2006 Series A	July 2016
2001 Series A	April 2011	2006 Series B	December 2016
2001 Series B	July 2011	2006 Series C	September 2014
2002 Series B	June 2012	2007 Series A	June 2017
2003 Series A	January 2013	2007 KISTA	November 2011
2004 Series A	January 2014		

In connection with most of the above listed bond issues, the Board has entered into participation agreements with the Kentucky School Facilities Construction Commission (the "Commission") which provides that the Commission will remit a stated amount of bond principal and interest payments annually, subject to biennial approval by the Kentucky General Assembly. Approval has been received for the biennial fiscal period ended June 30, 2010. Should approval not be received in future periods, the Board remains obligated for the full amount of the bond principal and interest payments.

Continued

Note F--Long-Term Liabilities--Continued

Assuming no issues are called prior to scheduled maturity and continued Commission participation, the minimum obligations of the Board at June 30, 2008 for debt service are as follows:

Year Ending June 30	Principal	Interest	Total Repayments	Less: Commission Participation	Net Repayments
2009	\$ 26,052,295	\$ 18,219,895	\$ 44,272,190	\$ 9,096,101	\$ 35,176,089
2010	26,907,295	17,248,083	44,155,378	9,091,608	35,063,769
2011	24,892,295	16,256,650	41,148,945	6,503,390	34,645,555
2012	30,463,647	15,319,691	45,783,338	6,285,593	39,497,745
2013	25,545,000	14,335,367	39,880,367	6,271,634	33,608,733
2014-2018	135,240,000	54,496,083	189,736,083	29,429,908	160,306,175
2019-2023	107,895,000	25,286,540	133,181,540	19,933,995	113,247,545
2024-2028	55,955,000	5,706,686	61,661,686	5,833,532	55,828,154
	<u>\$ 432,950,532</u>	<u>\$ 166,868,995</u>	<u>\$ 599,819,528</u>	<u>\$ 92,445,762</u>	<u>\$ 507,373,766</u>

All bonds issued by the Board were revenue bonds or refunding bonds of revenue bonds, and the proceeds were used to construct or renovate schools and other facilities. The bonds payable are collateralized by the educational facilities constructed by the Board with bond proceeds. Bonds are repaid principally from state revenues in the Capital Outlay Fund and local revenues in the Building Fund. General Fund revenues are available to pay for debt service but have not been needed for this purpose.

Although defeased, the funded debt will not be actually retired until the call dates have come due or until maturity if they are not callable issues. As of June 30, 2008, the outstanding principal amount of indebtedness that is considered to be extinguished under "in substance defeasance" and therefore excluded from the financial statements was \$42,075,000.

Continued

Note F--Long-Term Liabilities--Continued

Qualified Zone Academy Bond--On September 28, 2000, the Board issued \$5,500,000 in Special Obligations School Financing Bond Series 2000 as a Qualified Zone Academy Bond ("QZAB") pursuant to Section 1297E of the Internal Revenue Code, to finance capital projects for public schools.

The Board makes semi-annual payments in the amount of \$132,640 to an escrow account at a local bank. Such payments will be held in trust and invested at an interest rate of 5.0% in accordance with the funding agreement. The final semi-annual payment is due September 28, 2012, at which time the QZAB will mature, and the full principal balance will be paid from the escrow account.

2007 Kentucky Interlocal School Transportation Association New Markets Tax Credit Program ("KISTA")--On November 13, 2006, the Board approved participation in the KISTA program, which is designed to provide support for specific technology at schools that meet certain thresholds. This non-interest bearing debt is collateralized by the assets purchased.

Estimated Liability for Workers' Compensation Benefits--The estimated liability for workers' compensation benefits consists of claim settlements for reported and outstanding claims and estimated claim settlements for incurred but not reported claims (based upon historical experience and an actuarial study). Estimated claim settlements for incurred but not reported claims are discounted at 6% over the anticipated payment periods to reflect the time value of money. This liability, along with certain related assets and liabilities, is accounted for within the Workers' Compensation Trust Fund, which is a self-insurance fund administered by the Board for the purpose of providing workers' compensation insurance to employees of the Board.

The Board maintained reinsurance covering that portion of risks in excess of \$300,000 for any one occurrence and for aggregate losses in excess of approximately \$3.5 million for the year ended June 30, 2008. The limit is subject to audit by the Board's insurer. The Board remains liable to the extent that claims are less than the amount of reinsurance coverage or if the reinsuring company is unable to pay its portion of claims.

Accrued Vacation Pay and Sick Leave--In accordance with generally accepted governmental accounting principles, the Board has recorded accrued vacation pay and accrued sick leave as liabilities (long-term) in the District-wide Statement of Net Assets since the majority of these liabilities are not expected to be liquidated with expendable available financial resources. Accrued vacation pay, which may be accumulated for a period of up to two years, is payable upon termination of employment. Accrued sick leave, which has no maximum accumulation, is payable upon retirement at 30% of the value of accumulated sick leave.

Continued

Note F--Long-Term Liabilities—Continued

A summary of the changes in long-term liabilities during the fiscal year is as follows:

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2008</u>
Governmental Activities:				
School building revenue bonds	\$ 446,443,799		\$ 24,349,338	\$ 422,094,461
Estimated liability for workers' compensation benefits	12,780,388	\$ 3,065,360	4,039,850	11,805,898
Accrued vacation pay	6,814,041	6,341,044	6,184,900	6,970,185
Accrued sick leave	32,391,000	33,397,881	32,156,881	33,632,000
	<u>\$ 498,429,228</u>	<u>\$ 42,804,285</u>	<u>\$ 66,730,969</u>	<u>\$ 474,502,544</u>
 Business-type Activities:				
School building revenue bonds	<u>\$ 11,694,028</u>		<u>\$ 837,957</u>	<u>\$ 10,856,071</u>

Note G--Retirement Plans

Classified Employees--Classified employees (substantially all full-time Board employees other than certified employees) are covered by the County Employees Retirement Systems ("CERS"), a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement System, an agency of the Commonwealth of Kentucky. CERS provides retirement, death and disability benefits to Plan members and beneficiaries. Cost of living adjustments are provided at the discretion of the State Legislature.

Under the provisions of the Kentucky Revised Statute Section 61.645, the Board of Trustees of the Kentucky Retirement System administers CERS and has the authority to establish and amend benefit provisions.

Plan members are required to contribute 5% of their annual covered compensation and the Board is required to contribute at an actuarially determined rate. The current rate is 16.17% of the employee's total covered compensation. The contribution requirements of Plan members and the Board are established and may be amended by the Kentucky Retirement System's Board of Trustees. The Board's contributions to CERS for the years ended June 30, 2008, 2007, and 2006 were approximately \$27,580,000, \$21,307,000, and \$17,096,000 respectively, equal to the required contribution for that year.

The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, KY 40601.

Certified Employees--Certified employees are covered by the Kentucky Teachers' Retirement System ("KTRS"), a cost-sharing multiple-employer defined benefit plan. KTRS provides retirement, death and disability benefits to Plan members. Cost of living increases are 1.5% annually. Any benefit amendments must be authorized by the State Legislature.

Plan members are required to contribute 9.855% of their annual covered compensation, and the Commonwealth of Kentucky provides matching contributions as required by Kentucky Revised Statutes 165.540 and 161.550. The payments made by the Commonwealth of Kentucky on behalf of the Board's certified employees, amounting to \$58,795,000, are reflected in the accompanying financial statements as both revenues and expenses/expenditures. The Commonwealth of Kentucky requires payments for federally funded employees to be made by such federal funds; for the fiscal year ended June 30, 2008, this funding amounted to approximately \$3,980,000.

KTRS issues a publicly available financial report that includes financial statements and required supplementary information on the Plan. That report may be obtained by writing to Kentucky Teachers' Retirement System, 479 Versailles Road, Frankfort, Kentucky 40601.

Retirement Plan--The Board makes available various 401(k) and 403(b) defined contribution pension plans for all employees. These Plans are administered by independent third party administrators. Employees are allowed to contribute any amount to the Plans up to the Internal Revenue Code maximum allowable amount. The Board does not contribute to the Plans, but the Board retains authority to amend or terminate these plans. During the 2007-2008, employees of the Board contributed \$1,550,000 to 401(k) plans and \$9,651,000 to 403(b) plans.

Continued

Note H--Deferred Compensation—Continued

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, allows entities with little or no administrative involvement and who do not perform the investing function for these plans to omit plan assets and related liabilities from their financial statements. The Board therefore does not show these assets and liabilities on its financial statements. The Board does not contribute to these plans, and employees of the Board contributed \$2,399,000 to these plans during the 2007-2008 fiscal year.

Note I--Post-Employment Health Care Benefits

Retired Board employees receive some health care benefits depending on their length of service. In accordance with Kentucky Revised Statutes, these benefits are provided and advanced-funded on an actuarially determined basis through the CERS and the KTRS plans.

Note J--Commitments

On June 30, 2008, the Board had outstanding commitments for construction approximating \$23,900,000.

Note K--Contingencies

The Board is subject to legal actions in various stages of litigation. Based on the advice of counsel, management of the Board does not anticipate that there will be any material effect on the financial position of the Board as a result of the litigation presently in progress.

In the normal course of operations, the Board receives funding from federal, state, and local government agencies and private contributions. These funds are to be used for designated purposes only. For government agency grants, if the grantor's review indicates that the funds have not been used for the intended purpose, the grantor may request a refund of monies advanced or refuse to reimburse the Board for its expenditures. The amount of such future refunds and unreimbursed expenditures, if any, is not expected to be significant. Continuation of the Board's grant programs is predicated upon the grantor's satisfaction that the funds provided are being spent as intended and the grantors' intent to continue their programs.

Continued

Note K—Contingencies--Continued

In addition, the Board operates in a heavily regulated environment. The operations of the Board are subject to the administrative directives, rules and regulations of federal and state regulatory agencies, including, but not limited to, the U.S. Department of Education and the Kentucky Department of Education. Such administrative directives, rules and regulations are subject to change by an act of Congress or the Kentucky Legislature or an administrative change mandated by the Kentucky Department of Education. Such changes may occur with little or inadequate funding to pay for the related cost, including the additional administrative burden to comply with a change. Currently, the Board has budgeted for such unfunded and underfunded mandates as Early Childhood (\$11.1 million), student transportation (\$52.3 million), English as a Second Language (\$6.6 million), the State Agency Children's Program (\$5.3 million) and Special Education (\$85.4 million).

Note L--Insurance and Related Activities

The Board is exposed to various forms of loss of assets associated with the risks of fire, personal liability, theft, vehicle accidents, errors and omissions, fiduciary responsibility, etc. Each of these risk areas is covered through the purchase of commercial insurance.

Note M--Changes in Certain Beginning Fund Balance

On the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (page 18), the beginning fund balance for General Fund increased by approximately \$8.6 million due to a change in how worker's compensation liability is calculated. Previously, the liability was calculated as the sum of all case reserves even though much of this liability would be paid over more than one fiscal year. The liability is now calculated as the amount due and payable at June 30, 2008, which is consistent with the treatment of other liabilities.

Note N--Subsequent Events

On September 25, 2008, the Board sold \$9,905,000 of twenty-year school building revenue bonds for construction projects. These bonds have interest rates ranging from 2.5% to 4.1%, with interest and principal payable semiannually on March 1 and September 1 and may be subject to redemption at the option of the Board on September 1, 2018.

Required Supplementary Information

Schedule of Revenues and Expenditures - Budget and Actual

Jefferson County Board of Education

Year Ended June 30, 2008

	General Fund			
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local sources				
Property taxes	\$ 288,976,000	\$ 289,576,000	\$ 288,055,716	\$ (1,520,284)
Occupational taxes	126,291,000	126,291,000	115,133,756	(11,157,244)
Other taxes	30,147,000	29,547,000	32,015,201	2,468,201
State sources				
SEEK program	258,959,000	258,959,000	257,062,753	(1,896,247)
Other state revenues	1,947,000	1,947,000	128,488,030	126,541,030
Interest	7,400,000	7,400,000	6,710,217	(689,783)
Operating transfers in	2,744,000	2,744,000		(2,744,000)
Other sources	1,487,000	1,487,000	7,839,812	6,352,812
Total Revenues	717,951,000	717,951,000	835,305,485	117,354,485
Expenditures				
Instruction	375,542,570	339,141,311	437,943,978	(98,802,667)
Student support services	34,478,187	31,653,330	42,640,275	(10,986,945)
Instructional staff support services	43,672,760	40,537,390	50,670,180	(10,132,790)
District administration support services	3,917,291	3,571,792	4,583,697	(1,011,905)
School administration support services	58,389,789	56,270,814	72,129,471	(15,858,657)
Business support services	80,411,453	70,043,202	34,047,771	35,995,431
Plant operations and maintenance	84,674,246	79,215,859	98,138,882	(18,923,023)
Student transportation	52,760,618	51,008,821	61,353,860	(10,345,039)
Community services operations	272,071	232,710	316,096	(83,386)
Building renovations	8,573,424	7,651,849	5,791,585	1,860,264
Transfers to Proprietary Funds			2,901,550	(2,901,550)
Operating transfers out			428,301	(428,301)
Total Expenditures	742,692,409	679,327,078	810,945,646	(131,618,568)
Revenues in Excess of (Less Than) Expenditures	\$ (24,741,409)	\$ 38,623,922	\$ 24,359,839	\$ (14,264,083)

See Note A for description of modified accrual budget methods and page 47 for explanation of significant budget variances

Schedule of Revenues and Expenditures - Budget and Actual

Jefferson County Board of Education

Year Ended June 30, 2008

	Grants & Awards Fund			
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Grants	\$ 133,195,116	\$ 149,834,628	\$ 149,415,338	\$ (419,290)
Interest		182,196	182,196	
Other Sources			21,111	21,111
Transfers from other funds	330,000	1,063,120	2,245,485	1,182,365
Total Revenues	133,525,116	151,079,944	151,864,130	784,186
Expenditures				
Instruction	78,758,057	88,044,726	85,216,956	2,827,770
Student support services	2,781,200	2,827,213	3,077,096	(249,883)
Instructional staff support services	35,428,375	37,249,464	43,458,174	(6,208,710)
Other instructional	503,122	575,339	166,872	408,467
District administration support services	96,957	52,677	56,945	(4,268)
School administration support services	204,321	212,263	181,043	31,220
Business support services	2,122,432	2,173,788	2,063,287	110,501
Plant operations and maintenance	9,375	34,536	410,592	(376,056)
Student transportation	2,191,059	3,843,231	3,902,086	(58,855)
Community service operations	7,971,181	9,310,695	8,214,587	1,096,108
Building renovations		330,838	445,216	(114,378)
Other expenditures	3,371,077	3,483,868	3,439,525	44,343
Transfers to other funds	87,960	3,424,203	1,192,295	2,231,908
Total Expenditures	133,525,116	151,562,841	151,824,674	(261,833)
Revenues in Excess of (Less Than) Expenditures	<u>\$</u>	<u>\$ (482,897)</u>	<u>\$ 39,456</u>	<u>\$ 522,353</u>

See Note A for description of modified accrual budget methods and page 47 for explanation of significant budget variances

Schedule of Revenues and Expenditures - Budget and Actual

Jefferson County Board of Education

Year Ended June 30, 2008

Explanation of significant budget variances:

General Fund

The Commonwealth of Kentucky pays certain employee benefit expenses, including health insurance and the employer match for the Kentucky Teachers Retirement System, on-behalf of its districts. Districts are instructed not to budget these expenditures but must record these expenses for financial statement presentation. For the 2007-2008 fiscal year, these expenses totaled \$126 million and account for the revenue and expenditure overages in the General Fund. Additionally, occupational taxes were \$11.1 million below budget due to one \$12 million multi-year tax bill that was appealed. When this occurs the Metro Louisville Revenue Commission, the tax collector, places the entire amount in reserve until the case is decided. Last, the Board charges School Food Services approximately \$3 million to rent its kitchen and cafeteria facilities and forgives this debt. Neither the rental income nor the offsetting operating transfer out for the forgiven debt are budgeted.

Grants and Awards Fund

Most budget variances in this fund occur as a result of the difficulties in preparing an annual budget for grants that may cover periods of twenty-seven months or longer, where the budget may have been recognized in one year while expenditures continue into future years. Additionally, a change in account coding of indirect cost expenditures was requested by the Kentucky Department of Education where charges that were budgeted in the grants' functions were moved to Other expenditures totaling \$5.1 million.

Other Supplementary Information

Schedule of Revenues and Expenditures - Budget and Actual

Jefferson County Board of Education

Year Ended June 30, 2008

Construction Fund				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Interest	\$ 3,112,102	\$ 3,112,102	\$ 4,450,402	\$ 1,338,300
Proceeds from the sale of bonds			1,068,000	1,068,000
Transfers from other funds	6,652,140	6,652,140	10,962,498	4,310,358
Total Revenues	9,764,242	9,764,242	16,480,900	6,716,658
Expenditures				
Building renovations	58,006,170	81,011,036	28,626,702	52,384,334
Other			352	(352)
Transfers to other funds			1,261,219	(1,261,219)
Total Expenditures	58,006,170	81,011,036	29,888,273	51,122,763
Revenues in Excess of (Less Than) Expenditures	<u>\$ (48,241,928)</u>	<u>\$ (71,246,794)</u>	<u>\$ (13,407,373)</u>	<u>\$ 57,839,421</u>
School Food Services				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Lunchroom sales	\$ 16,823,228	\$ 16,391,051	\$ 12,728,447	\$ (3,662,604)
Federal grants	24,091,675	23,489,630	25,429,673	1,940,043
State grants	540,194	540,194	429,267	(110,927)
Donated commodities	5,548,552	5,548,552	2,236,782	(3,311,770)
District support			2,901,550	2,901,550
Interest	256,726	256,726	202,232	(54,494)
Miscellaneous	72,778	72,778	54,922	(17,856)
Total Revenues	47,333,153	46,298,931	43,982,873	(2,316,058)
Expenditures				
Food service operation	47,333,153	46,298,631	45,046,500	1,252,131
Debt service			390,264	(390,264)
Total Expenditures	47,333,153	46,298,631	45,436,764	861,867
Revenues in Excess of (Less Than) Expenditures	<u>\$</u>	<u>\$ 300</u>	<u>\$ (1,453,891)</u>	<u>\$ (1,454,191)</u>

See Note A for description of modified accrual budget methods and page 52 for explanation of significant budget variances

Schedule of Revenues and Expenditures - Budget and Actual - Nonmajor Funds

Jefferson County Board of Education

Year Ended June 30, 2008

Capital Outlay Fund				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
State SEEK program	\$ 8,332,190	\$ 8,332,190	\$ 8,353,390	\$ 21,200
Expenditures				
Building renovations		1,413,235	634,079	779,156
Transfers to other funds	8,332,190	6,838,240	7,719,311	(881,071)
Total Expenditures	8,332,190	8,251,475	8,353,390	(101,915)
Revenues in Excess of (Less Than) Expenditures	<u>\$</u>	<u>\$ 80,715</u>	<u>\$</u>	<u>\$ (80,715)</u>

Building Fund				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 29,763,752	\$ 29,814,281	\$ 31,484,328	\$ 1,670,047
Other taxes	3,628,829	3,578,300	4,226,721	648,421
Other sources	204,104	204,104	180,861	(23,243)
Total Revenues	33,596,685	33,596,685	35,891,910	2,295,225
Expenditures				
Transfers to other funds	33,826,990	33,826,990	35,891,910	(2,064,920)
Revenues in Excess of (Less Than) Expenditures	<u>\$ (230,305)</u>	<u>\$ (230,305)</u>	<u>\$</u>	<u>\$ 230,305</u>

See Note A for description of modified accrual budget methods and page 52 for explanation of significant budget variances

Schedule of Revenues and Expenditures - Budget and Actual - Nonmajor Funds

Jefferson County Board of Education

Year Ended June 30, 2008

Debt Service Fund				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
KSFCC allocation	\$ 9,090,946	\$ 9,090,946	\$ 9,090,946	
Transfers from other funds	35,507,040	35,507,040	34,013,898	\$ (1,493,142)
Total Revenues	44,597,986	44,597,986	43,104,844	(1,493,142)
Expenditures				
Debt Services	44,597,986	44,597,986	43,104,844	(1,493,142)
Revenues in Excess of (Less Than) Expenditures	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Day Care Operations				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Day care fees	\$ 1,269,146	\$ 733,067	\$ 645,332	\$ (87,735)
Expenditures				
Day care operations	1,269,146	775,998	775,998	
Revenues in Excess of (Less Than) Expenditures	<u>\$</u>	<u>\$ (42,931)</u>	<u>\$ (130,666)</u>	<u>\$ (87,735)</u>

See Note A for description of modified accrual budget methods and page 52 for explanation of significant budget variances

Schedule of Revenues and Expenditures - Budget and Actual - Nonmajor Funds

Jefferson County Board of Education

Year Ended June 30, 2008

Adult Education				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Adult education tuition	\$ 1,118,847	\$ 731,063	\$ 731,063	
Interest	25,000	17,095	17,095	
Total Revenues	1,143,847	748,158	748,158	
Expenditures				
Instruction	1,026,215	1,070,800	845,873	\$ 224,927
Transfers to other funds	5,000	5,000	5,000	
Total Expenditures	1,031,215	1,075,800	850,873	224,927
Revenues in Excess of (Less Than) Expenditures	<u>\$ 112,632</u>	<u>\$ (327,642)</u>	<u>\$ (102,715)</u>	<u>\$ 224,927</u>
Tuition Pre-School				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Pre-School Tuition	\$ 1,220,102	\$ 1,444,682	\$ 1,444,682	
Transfers from other funds		44,456		\$ 44,456
Total Revenues	1,220,102	1,489,138	1,444,682	44,456
Expenditures				
Instruction	1,616,750	1,605,673	1,606,645	(972)
Revenues in Excess of (Less Than) Expenditures	<u>\$ (396,648)</u>	<u>\$ (116,535)</u>	<u>\$ (161,963)</u>	<u>\$ 43,484</u>

See Note A for description of modified accrual budget methods and page 52 for explanation of significant budget variances

Schedule of Revenues and Expenditures - Budget and Actual - Nonmajor Funds

Jefferson County Board of Education

Year Ended June 30, 2008

	Katherine Avellar Trust Proceeds			Variance with
	Working Budget	Final Budget	Actual	Final Budget Positive (Negative)
Revenues				
Trustee donations			\$ 179,250	\$ 179,250
Expenditures				
Student support services			41,974	(41,974)
Transfers to other funds			728,845	(728,845)
Total Expenditures			770,819	(770,819)
Revenues in Excess of (Less Than) Expenditures			\$ (591,569)	\$ (591,569)

See Note A for description of modified accrual budget methods

Explanation of significant budget variances:

Construction Fund

The Board budgets all construction and renovation projects in this fund. These multi-year projects are partially paid from bond proceeds and partially paid from funds escrowed from transfers from the Building Fund. Funds transferred from Building Fund are not budgeted and transferred to Construction Fund until all requirements of that fund are met. Bond proceeds are dependent upon market conditions. Expenditures for building renovations are budgeted at levels necessary to complete all projects, though these projects are expected to require more than one year to complete. Operating transfers out consist of debt service payments transferred to bond paying agent accounts in the previous year. These bond paying agent accounts are not budgeted.

School Food Services

The Board charges School Food Services approximately \$3 million to rent its kitchen and cafeteria facilities and forgives this debt. Both the expense and revenue in this transaction are not budgeted and account for the overages in each category.

Building Fund

Additional property tax revenues were recognized in the Building Fund to provide for future construction projects and transferred to the Construction Fund and escrowed for future school construction and renovation projects.

Adult Education

Adult Education's expenses were lower than historical trends and budgets because the Board received a number of operating grants which subsidized certain operations. These grants were accounted for in the Grants & Awards Fund instead of Adult Education.

Katherine Avellar Trust Proceeds

For operational efficiencies, we elected to account for the Katherine Avellar Trust Proceeds in our Grants & Awards Fund and transferred all accumulated revenues to that fund. All activities were budgeted in the Grants & Awards Fund.

Combining Balance Sheet - Nonmajor Governmental Funds

Jefferson County Board of Education

June 30, 2008

	Building Tax Fund	Capital Outlay	Russell Riggs Political Science Trust Proceeds	Total Nonmajor Governmental Funds
Assets				
Accounts receivable	\$ 81,176			\$ 81,176
Due from other funds		\$ 574,708	\$ 1,258	575,966
Total Assets	<u>\$ 81,176</u>	<u>\$ 574,708</u>	<u>\$ 1,258</u>	<u>\$ 657,142</u>
Liabilities				
Accounts payable and accrued liabilities due to outside sources		\$ 574,708	\$ 1,258	\$ 575,966
Due to other funds	\$ 81,176			81,176
Total Liabilities	<u>81,176</u>	<u>574,708</u>	<u>1,258</u>	<u>657,142</u>
Fund Balances				
Unreserved, designated				
Total Fund Balances				
Total Liabilities and Fund Balances	<u>\$ 81,176</u>	<u>\$ 574,708</u>	<u>\$ 1,258</u>	<u>\$ 657,142</u>

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds

Jefferson County Board of Education

Year Ended June 30, 2008

	Building Tax Fund	SEEK Capital Outlay Fund	Debt Service Fund	Katherine Avellar Trust Proceeds	Russell Riggs Political Science Trust Proceeds	Total Nonmajor Governmental Funds
Revenues						
Local sources						
Property taxes	\$ 31,484,328					\$ 31,484,328
Other taxes	4,226,721					4,226,721
State sources						
SEEK program		\$ 8,353,390				8,353,390
KSFCC allocation			\$ 9,090,946			9,090,946
Other Sources	180,861			\$ 179,250		360,111
Total Revenues	35,891,910	8,353,390	9,090,946	179,250		53,515,496
Expenditures						
Student Support Services				41,974	\$ 1,258	43,232
Capital outlay		634,079				634,079
Debt service						
Principal			24,349,338			24,349,338
Interest			18,755,506			18,755,506
Total Expenditures		634,079	43,104,844	41,974	1,258	43,782,155
Revenues in Excess of (Less Than) Expenditures	35,891,910	7,719,311	(34,013,898)	137,276	(1,258)	9,733,341
Other Financing Sources (Uses)						
Operating transfers in			34,013,898			34,013,898
Operating transfers out	(35,891,910)	(7,719,311)		(728,845)		(44,340,066)
Total Other Financing Sources (Uses)	(35,891,910)	(7,719,311)	34,013,898	(728,845)		(10,326,168)
Net Change in Fund Balances				(591,569)	(1,258)	(592,827)
Fund Balances, Beginning of Year				591,569	1,258	592,827
Fund Balances, End of Year	\$	\$	\$	\$	\$	\$

Combining Statement of Net Assets - Nonmajor Proprietary Funds

Jefferson County Board of Education

June 30, 2008

	Enterprise Funds			Total Nonmajor Enterprise Funds
	Adult Education	Tuition Pre-School	Daycare Operations	
Assets				
Current Assets				
Cash and cash equivalents	\$ 246,974			\$ 246,974
Accounts and grants receivable from outside sources		\$ 2,020		2,020
Due from other funds		43	\$ 183,728	183,771
Total Current Assets	246,974	2,063	183,728	432,765
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities due to outside sources	1,336	1,058	908	3,302
Due to other funds	20,689	2,020		22,709
Total Current Liabilities	22,025	3,078	908	26,011
Net Assets				
Unrestricted	224,949	(1,015)	182,820	406,754
Total Net Assets	<u>\$ 224,949</u>	<u>\$ (1,015)</u>	<u>\$ 182,820</u>	<u>\$ 406,754</u>

Combining Statement of Revenues, Expenses and Changes in
Net Assets - Nonmajor Proprietary Funds

Jefferson County Board of Education

Year Ended June 30, 2008

	Enterprise Funds			Total Nonmajor Enterprise Funds
	Adult Education	Tuition Pre-School	Daycare Operations	
Operating Revenues				
Tuition and fees	\$ 731,063	\$ 1,444,682	\$ 645,332	\$ 2,821,077
Total Operating Revenues	731,063	1,444,682	645,332	2,821,077
Operating Expenses				
Salaries and personnel services	592,512	1,399,722	552,521	2,544,755
Employee benefits	35,790	195,971	82,549	314,310
Purchased professional services		563		563
Purchased property services	581		94	675
Other purchased services	123,803	2,752	9,725	136,280
Supplies and materials	78,680	6,649	98,508	183,837
Property	834	988	23,500	25,322
Miscellaneous	13,673		9,101	22,774
Total Operating Expenses	845,873	1,606,645	775,998	3,228,516
Income (Loss) From Operations	(114,810)	(161,963)	(130,666)	(407,439)
Non-Operating Revenues (Expenses)				
Federal grants			87,735	87,735
District support	(5,000)	44,456		39,456
Interest income	17,095			17,095
Total Non-Operating Revenues (Expenses)	12,095	44,456	87,735	144,286
Change in Net Assets	(102,715)	(117,507)	(42,931)	(263,153)
Net Assets, Beginning of Year	327,664	116,492	225,751	669,907
Net Assets, End of Year	\$ 224,949	\$ (1,015)	\$ 182,820	\$ 406,754

Combining Statement of Cash Flows - Nonmajor Proprietary Funds

Jefferson County Board of Education

Year Ended June 30, 2008

	Enterprise Funds			Total Nonmajor Enterprise Funds
	Adult Education	Tuition Pre-School	Daycare Operations	
Cash Flows From Operating Activities				
Cash received from customers	\$ 731,063	\$ 1,560,608	\$ 709,494	\$ 3,001,165
Cash paid to suppliers	(244,799)	(8,808)	(153,058)	(406,665)
Cash paid to employees	(628,302)	(1,595,693)	(635,070)	(2,859,065)
Cash paid for other expenses	(13,673)	(563)	(9,101)	(23,337)
Net Cash Provided by (Used in) Operating Activities	(155,711)	(44,456)	(87,735)	(287,902)
Cash Flows From Capital and Related Financing Activities				
District support	(5,000)	44,456		39,456
Interest earned	17,095			17,095
Net Cash Provided By (Used in) Capital and Related Financing Activities	12,095	44,456		56,551
Cash Flows from Noncapital Financing Activities				
Cash received for operational grants			87,735	87,735
Increase (Decrease) in Cash and Cash Equivalents	(143,616)			(143,616)
Cash and Cash Equivalents, Beginning of Year	390,590			390,590
Cash and Cash Equivalents, End of Year	<u>\$ 246,974</u>	<u>\$</u>	<u>\$</u>	<u>\$ 246,974</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
(Loss) from operations	\$ (114,810)	\$ (161,963)	\$ (130,666)	\$ (407,439)
Adjustments to reconcile (loss) from operations to cash provided by (used in) operating activities:				
Change in accounts and grants receivable		(566)	22,139	21,573
Change in amounts due from other funds		116,492	42,023	158,515
Change in amounts due to other funds	(41,488)	566	(20,769)	(61,691)
Change in accounts payable and accrued liabilities	587	1,015	(462)	1,140
Net Cash Provided by (Used in) Operating Activities	<u>\$ (155,711)</u>	<u>\$ (44,456)</u>	<u>\$ (87,735)</u>	<u>\$ (287,902)</u>

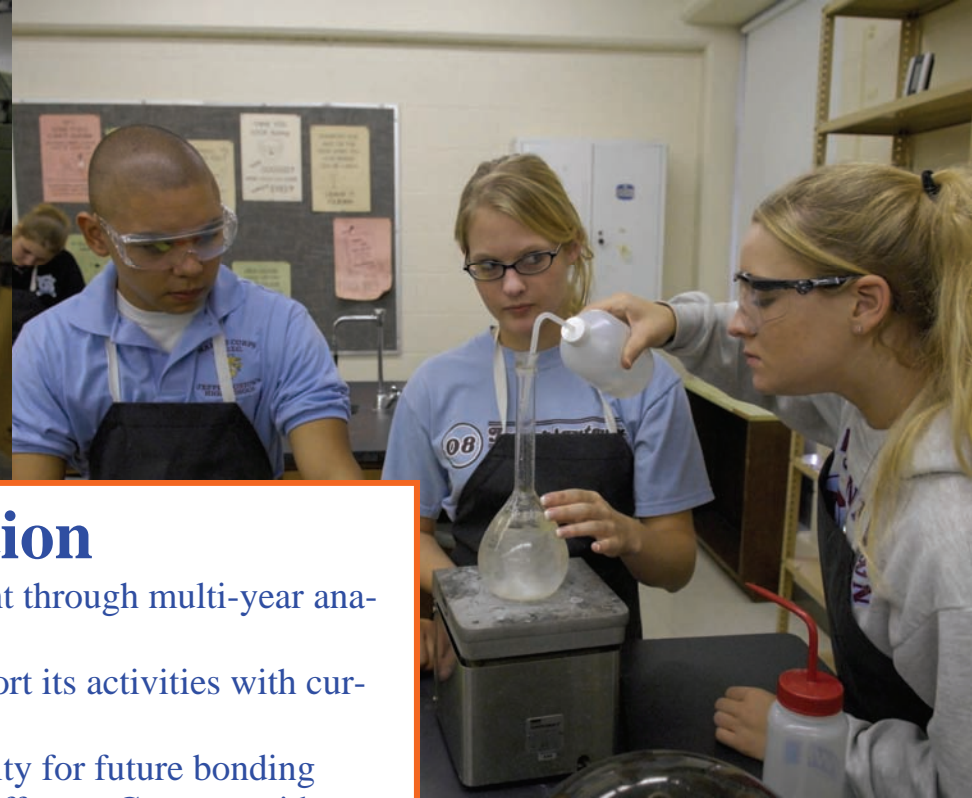
Combining Statement of Net Assets - Fiduciary Funds and
Statement of Changes in Assets Liabilities - Fiduciary Funds

Jefferson County Board of Education

June 30, 2008

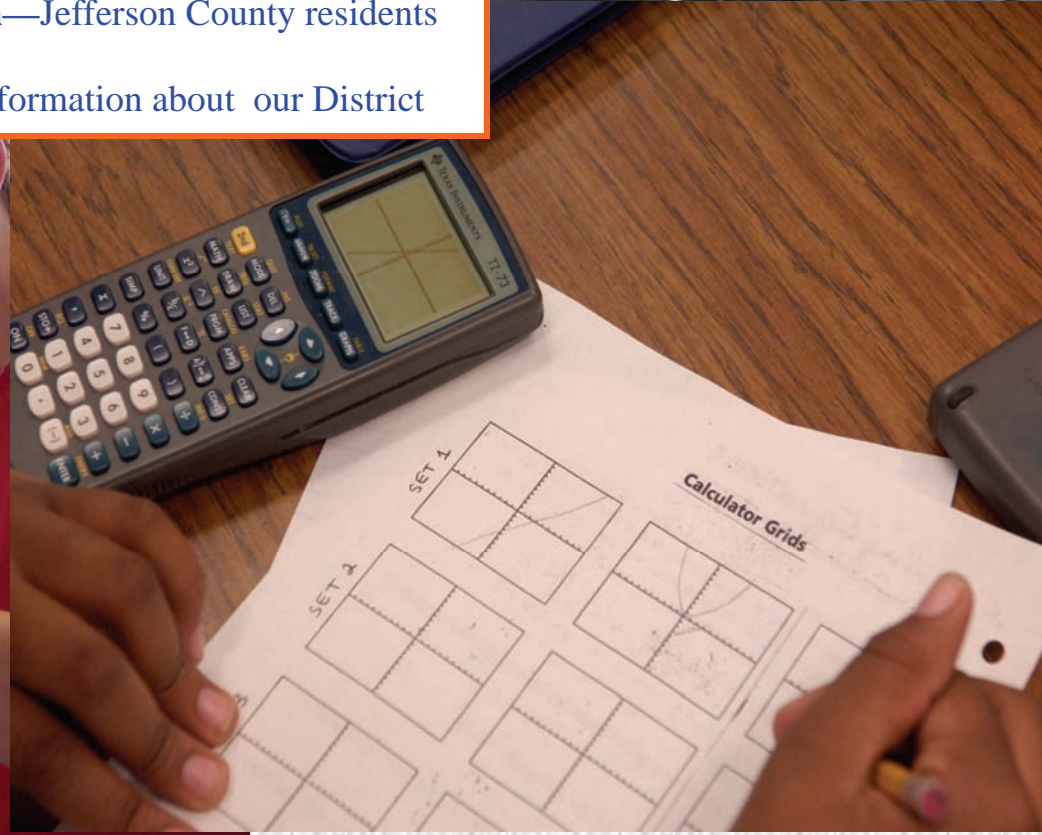
	Agency Funds				
	High School Activity Fund	Middle School Activity Fund	Elementary School Activity Fund	Other Agency Funds	Total Agency Funds
Assets					
Cash and cash equivalents	\$ 3,126,484	\$ 809,420	\$ 1,439,111		\$ 5,375,015
Investments	1,152,597	181,487	23,992	\$ 1,000	1,359,076
Accounts and grants receivable from outside sources	98,910	9,351	15,900		124,161
Inventory	133,129	82,164	146,196		361,489
Due from other funds	67,076	22,904	32,871	527,104	649,955
Total Assets	\$ 4,578,196	\$ 1,105,326	\$ 1,658,070	\$ 528,104	\$ 7,869,696
Liabilities					
Accounts payable and accrued liabilities liabilities due to outside sources	\$ 214,352	\$ 44,199	\$ 50,561		\$ 309,112
Due to other funds	615,484	13,036	5,602		634,122
Due to student groups	3,748,360	1,048,091	1,601,907	\$ 528,104	6,926,462
Total Liabilities	\$ 4,578,196	\$ 1,105,326	\$ 1,658,070	\$ 528,104	\$ 7,869,696
Statement of Changes in Assets and Liabilities - Fiduciary Funds					
Additions					
Student and donor contributions	\$ 12,767,846	\$ 4,030,527	\$ 6,679,332	\$ 9,489	\$ 23,487,194
Sales	846,534	253,814	528,316		1,628,664
Interest	131,985	16,750	10,188	10,482	169,405
	13,746,365	4,301,091	7,217,836	19,971	25,285,263
Deductions					
Cost of Goods Sold	504,054	183,871	371,006		1,058,931
Student Support Services	13,088,568	4,085,028	6,789,485	5,682	23,968,763
	13,592,622	4,268,899	7,160,491	5,682	25,027,694
Net increase	153,743	32,192	57,345	14,289	257,569
Due to Student Groups, Beginning of Year	3,594,617	1,015,899	1,544,562	513,815	6,668,893
Due to Student Groups, End of Year	\$ 3,748,360	\$ 1,048,091	\$ 1,601,907	\$ 528,104	\$ 6,926,462

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Statistical Section

- **Financial Trend Data**—financial management through multi-year analytics
- **Revenue Capacity Data**—our ability to support its activities with current revenues
- **Debt Capacity Data**—debt burden and capacity for future bonding
- **Demographic & Economic Information**—Jefferson County residents and economy
- **Operating Information**—quantitative information about our District



Jefferson County Board of Education

Statement of Net Assets--Governmental Funds

Seven Years' Trend Data¹

	2008	2007	2006	2005	2004	2003	2002
Assets							
Cash and cash equivalents	\$ 210,423,799	\$ 221,809,948	\$ 145,692,633	\$ 106,728,574	\$ 75,539,993	\$ 86,274,816	\$ 62,481,266
Investments	39,940,519	14,281,183	10,005,220	42,720	59,956,829	48,544,266	55,043,903
Accounts and grants receivable from outside sources	36,181,139	60,361,542	46,765,083	78,658,593	37,552,827	52,330,350	72,724,801
Prepaid expenses	3,310,581	3,434,397	2,781,250			21,070	590,755
Inventories	4,930,086	5,029,809	6,155,699	4,702,225	4,527,201	3,761,873	4,124,014
Capital assets, net of accumulated depreciation	509,544,259	500,338,579	474,992,548	463,023,902	437,982,247	384,660,757	415,203,305
Construction in progress		55,793,451	31,027,888	24,508,143	15,398,841	13,254,016	35,366,229
Bond issuance costs	1,435,974	1,788,870	1,743,798				
Internal balances	2,539,858	1,928,859	2,880,593	1,750,639	4,617,039	6,893,204	2,469,983
Total Assets	\$ 808,306,215	\$ 808,973,187	\$ 691,016,824	\$ 654,906,653	\$ 620,176,136	\$ 582,486,336	\$ 612,638,027

Continued

Jefferson County Board of Education

Statement of Net Assets--Governmental Funds--Continued

Seven Years' Trend Data¹

	2008	2007	2006	2005	2004	2003	2002
Liabilities							
Accounts payable and accrued liabilities due to outside sources	\$ 56,420,516	\$ 72,658,502	\$ 60,044,422	\$ 56,651,574	\$ 64,258,255	\$ 39,147,468	\$ 49,046,687
Deferred revenue	14,725,284	18,899,907	17,922,923	20,281,340	20,803,514	7,670,540	8,795,861
Accrued interest payable	7,348,413	6,889,783	6,409,197				
Note payable due within one year						59,823	99,704
Estimated liability for worker's compensation benefits	11,805,898	12,780,388	12,273,348	9,549,697	6,891,229	5,890,304	6,370,577
Accrued vacation pay	6,970,185	6,814,041	6,632,673	6,213,717	6,310,490	5,943,081	5,599,320
Accrued sick leave liability	33,632,000	32,391,000	30,238,000	29,773,000	30,473,000	30,393,000	30,207,000
School building revenue bonds							
Due within one year	25,202,770	24,349,338	20,783,364	18,469,000	17,061,400	15,207,600	13,781,600
Due in more than one year	396,891,691	422,094,461	357,947,608	359,662,490	339,684,690	325,981,290	340,798,539
Total liabilities	\$ 552,996,757	\$ 596,877,420	\$ 512,251,535	\$ 500,600,818	\$ 485,482,578	\$ 430,293,106	\$ 454,699,288
Net Assets							
Invested in capital assets, net of related debt	\$ 87,449,798	\$ 109,688,231	\$ 127,289,464	\$ 109,400,555	\$ 96,634,998	\$ 56,725,883	\$ 95,989,395
Restricted for Capital projects and construction	119,975,819	133,383,192	56,755,472	56,724,992	26,734,208	73,573,862	68,646,817
Unrestricted	47,883,841	24,817,795	(5,279,647)	(11,819,712)	11,324,352	21,893,485	(6,697,473)
Total Net Assets	\$ 255,309,458	\$ 267,889,218	\$ 178,765,289	\$ 154,305,835	\$ 134,693,558	\$ 152,193,230	\$ 157,938,739

¹ For the fiscal year ended June 30, 2002, the Board implemented GASB 34, which substantially affected the comparability of its balances. Therefore, only seven years of data are presented.

Jefferson County Board of Education

Statement of Activities--Governmental Funds

Seven Years' Trend Data¹

	2008	2007	2006	2005	2004	2003	2002
Governmental activities							
Instruction	\$ 549,932,851	\$ 517,592,355	\$ 493,082,823	\$ 438,549,182	\$ 454,546,232	\$ 430,002,052	\$ 448,030,856
Student support services	45,509,104	43,244,003	34,196,099	31,611,802	35,439,129	24,737,043	24,264,508
Instructional staff							
support services	90,993,211	92,089,154	102,337,492	90,658,246	80,202,494	55,578,708	45,330,934
District administrative							
support services	7,130,993	6,905,255	6,125,608	5,455,412	3,279,259	12,192,104	7,850,331
School administrative							
support services	71,838,251	66,309,624	62,783,662	57,352,788	55,147,767	48,843,741	47,157,980
Business support services	34,326,827	34,986,394	34,929,686	30,856,882	42,305,745	17,497,224	16,000,125
Central office support services						22,002,371	29,788,179
Community services	8,670,699	8,224,193	8,056,206	7,524,914	7,629,436		
Transportation	67,519,376	66,646,414	62,658,644	65,876,930	50,982,142	36,006,442	39,090,470
Plant operations and							
maintenance	98,100,755	91,125,781	93,156,097	82,449,507	75,855,452	76,731,157	97,786,355
Other instructional	166,191	388,031	241,768	337,688	122,788	38,954,047	674,207
support services							
Food service						790,964	347,698
Miscellaneous	3,305,599	5,661,500	784,335	866,162	6,327,033	3,517,063	205,072
Interest expense	19,214,136	18,114,794	15,007,609	15,689,957	14,560,330	17,539,265	17,048,539
Total governmental activities	996,707,993	951,287,498	913,360,029	827,229,470	826,397,807	784,392,181	773,575,254
Program Revenues							
Charges for services	1,114,407	1,079,992	1,576,413	2,109,406	2,665,619	2,171,817	252,727
Operating grants and							
contributions	114,385,146	110,702,384	112,356,540	99,114,316	114,972,239	117,891,268	106,182,881
Total program activities	115,499,553	111,782,376	113,932,953	101,223,722	117,637,858	120,063,085	106,435,608
Net Expense	\$ (881,208,440)	\$ (839,505,122)	\$ (799,427,076)	\$ (726,005,748)	\$ (708,759,949)	\$ (664,329,096)	\$ (667,139,646)

Continued

Jefferson County Board of Education

Statement of Activities--Governmental Funds--Continued

Seven Years' Trend Data¹

	2008	2007	2006	2005	2004	2003	2002
Net Expense	\$ (881,208,440)	\$ (839,505,122)	\$ (799,427,076)	\$ (726,005,748)	\$ (708,759,949)	\$ (664,329,096)	\$ (667,139,646)
General revenues							
Taxes							
Property taxes	319,540,044	294,485,592	278,229,137	245,207,965	225,667,659	215,806,021	194,107,123
Occupational taxes	115,133,756	114,809,535	106,235,305	98,668,074	92,594,658	90,517,445	91,585,827
Other taxes	36,241,922	36,834,544	40,667,124	37,368,137	44,917,267	37,155,564	37,898,267
State sources							
SEEK program	265,416,143	239,847,485	238,068,370	219,920,355	216,763,593	210,541,846	204,772,511
KETS allocation						47,809	2,709,713
Other state revenues	171,494,761	162,195,817	154,792,792	130,973,883	98,227,900	92,695,870	87,351,114
Interest and investment earnings	11,315,475	12,981,233	6,860,125	2,737,452	1,368,839	3,055,469	4,593,289
Miscellaneous	5,280,030	11,681,394	8,462,185	10,742,159	11,720,361	8,763,563	14,376,424
Total general revenues	924,422,131	872,835,600	833,315,038	745,618,025	691,260,277	658,583,587	637,394,268
Change in net assets	43,213,691	33,330,478	33,887,962	19,612,277	(17,499,672)	(5,745,509)	(29,745,378)
Net assets, beginning of year	212,095,767	178,765,289	144,877,327	125,265,050	142,764,722	148,510,231	178,255,609
Net assets, end of year	<u>\$ 255,309,458</u>	<u>\$ 212,095,767</u>	<u>\$ 178,765,289</u>	<u>\$ 144,877,327</u>	<u>\$ 125,265,050</u>	<u>\$ 142,764,722</u>	<u>\$ 148,510,231</u>

¹ For the fiscal year ended June 30, 2002, the Board implemented GASB 34, which substantially affected the comparability of its expenses to periods prior to this implementation. Therefore, only seven years of data are presented.

Jefferson County Board of Education

Statement of Activities--Business-Type Funds

Seven Years' Trend Data¹

	2008	2007	2006	2005	2004	2003	2002
Business-type activities							
School food services	\$ 45,436,764	\$ 42,589,437	\$ 39,037,601	\$ 41,280,887	\$ 39,699,644	\$ 37,266,355	\$ 36,469,440
Adult education	850,873	1,031,214	1,067,753	824,934			
Tuition-based pre-school	1,606,645	1,220,000	1,092,906	966,103	1,209,476	764,581	715,232
Day care operations	775,998	1,110,925					
Total business-type activities	48,670,280	45,951,576	41,198,260	43,071,924	40,909,120	38,030,936	37,184,672
Program Revenues							
Charges for services	15,549,524	15,671,761	13,613,324	13,142,171	13,088,073	12,023,684	14,505,788
Operating grants and contributions	31,129,463	29,841,671	25,867,544	24,345,010	23,176,039	22,579,010	20,437,467
Total program activities	46,678,987	45,513,432	39,480,868	37,487,181	36,264,112	34,602,694	34,943,255
Net Expense	(1,991,293)	(438,144)	(1,717,392)	(5,584,743)	(4,645,008)	(3,428,242)	(2,241,417)
General revenues							
Interest and investment earnings	219,327	294,215	277,522	71,097	18,487	36,111	79,997
District support			2,980,131	2,982,142	1,266,116	1,444,585	1,376,000
Miscellaneous	54,922	56,805	65,532				
Total general revenues	274,249	351,020	3,323,185	3,053,239	1,284,603	1,480,696	1,455,997
Change in net assets	(1,717,044)	(87,124)	1,605,793	(2,531,504)	(3,360,405)	(1,947,546)	(785,420)
Net assets, beginning of year	20,291,029	20,378,153	18,772,360	21,303,864	24,664,269	26,611,815	27,397,235
Net assets, end of year	\$ 18,573,985	\$ 20,291,029	\$ 20,378,153	\$ 18,772,360	\$ 21,303,864	\$ 24,664,269	\$ 26,611,815

¹ For the fiscal year ended June 30, 2002, the Board implemented GASB 34, which substantially affected the comparability of its expenses to periods prior to this implementation. Therefore, only seven years of data are presented.

Jefferson County Board of Education

Statement of Activities--Total Primary Government

Seven Years' Trend Data¹

	2008	2007	2006	2005	2004	2003	2002
Primary government activities							
Instruction	\$ 549,932,851	\$ 517,592,355	\$ 493,082,823	\$ 438,549,182	\$ 454,546,232	\$ 430,002,052	\$ 448,030,856
Student support services	45,509,104	43,244,003	34,196,099	31,611,802	35,439,129	24,737,043	24,264,508
Instructional staff support services	90,993,211	92,089,154	102,337,492	90,658,246	80,202,494	55,578,708	45,330,934
District administrative support services	7,130,993	6,905,255	6,125,608	5,455,412	3,279,259	12,192,104	7,850,331
School administrative support services	71,838,251	66,309,624	62,783,662	57,352,788	55,147,767	48,843,741	47,157,980
Business support services	34,326,827	34,986,394	34,929,686	30,856,882	42,305,745	17,497,224	16,000,125
Central office support services						22,002,371	29,788,179
Community services	8,670,699	8,224,193	8,056,206	7,524,914	7,629,436		
Transportation	67,519,376	66,646,414	62,658,644	65,876,930	50,982,142	36,006,442	39,090,470
Plant operations and maintenance	98,100,755	91,125,781	93,156,097	82,449,507	75,855,452	76,731,157	97,786,355
Other	3,471,790	6,049,531	1,026,103	1,203,850	6,449,821	43,262,074	1,226,977
School Food services	45,436,764	42,589,437	39,037,601	41,280,887	39,699,644	37,266,355	36,469,440
Adult education	850,873	1,031,214	1,067,753	824,934			
Tuition-based pre-school	1,606,645	1,220,000	1,092,906	966,103	1,209,476	764,581	715,232
Day care operations	775,998	1,110,925					
Interest expense	19,214,136	18,114,794	15,007,609	15,689,957	14,560,330	17,539,265	17,048,539
Total primary activities	1,045,378,273	997,239,074	954,558,289	870,301,394	867,306,927	822,423,117	810,759,926
Program Revenues							
Charges for services	16,663,931	16,751,753	15,189,737	15,251,577	15,753,692	14,195,501	14,758,515
Operating grants and contributions	145,514,609	140,544,055	138,224,084	123,459,326	138,148,278	140,470,278	126,620,348
Total program activities	162,178,540	157,295,808	153,413,821	138,710,903	153,901,970	154,665,779	141,378,863
Net Expense	\$ (883,199,733)	\$ (839,943,266)	\$ (801,144,468)	\$ (731,590,491)	\$ (713,404,957)	\$ (667,757,338)	\$ (669,381,063)

Continued

Jefferson County Board of Education

Statement of Activities--Total Primary Government--Continued

Seven Years' Trend Data¹

	2008	2007	2006	2005	2004	2003	2002
Net Expense	\$ (883,199,733)	\$ (839,943,266)	\$ (801,144,468)	\$ (731,590,491)	\$ (713,404,957)	\$ (667,757,338)	\$ (669,381,063)
General revenues							
Taxes							
Property taxes	319,540,044	294,485,592	278,229,137	245,207,965	225,667,659	215,806,021	194,107,123
Occupational taxes	115,133,756	114,809,535	106,235,305	98,668,074	92,594,658	90,517,445	91,585,827
Other taxes	36,241,922	36,834,544	40,667,124	37,368,137	44,917,267	37,155,564	37,898,267
State sources							
SEEK program	265,416,143	239,847,485	238,068,370	219,920,355	216,763,593	210,541,846	204,772,511
KETS allocation						47,809	2,709,713
Other state revenues	171,494,761	162,195,817	154,792,792	130,973,883	98,227,900	92,695,870	87,351,114
Interest and investment earnings	11,534,802	13,275,448	7,137,647	2,808,549	1,387,326	3,091,580	4,673,286
District support			2,980,131	2,982,142	1,266,116	1,444,585	1,376,000
Miscellaneous	5,334,952	11,738,199	8,527,717	10,742,159	11,720,361	8,763,563	14,376,424
Total general revenues	924,696,380	873,186,620	836,638,223	748,671,264	692,544,880	660,064,283	638,850,265
Change in net assets	41,496,647	33,243,354	35,493,755	17,080,773	(20,860,077)	(7,693,055)	(30,530,798)
Net assets, beginning of year	232,386,796	199,143,442	163,649,687	146,568,914	167,428,991	175,122,046	205,652,844
Net assets, end of year	<u>\$ 273,883,443</u>	<u>\$ 232,386,796</u>	<u>\$ 199,143,442</u>	<u>\$ 163,649,687</u>	<u>\$ 146,568,914</u>	<u>\$ 167,428,991</u>	<u>\$ 175,122,046</u>

¹ For the fiscal year ended June 30, 2002, the Board implemented GASB 34, which substantially affected the comparability of its expenses to periods prior to this implementation. Therefore, only seven years of data are presented.

Jefferson County Board of Education

Balance Sheet--Governmental Funds

Ten Years' Trend Data

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Assets					
Cash and investments	\$ 250,364,318	\$ 236,063,791	\$ 155,735,353	\$ 106,771,294	\$ 135,496,822
Accounts and grants receivable	36,181,139	60,361,542	46,765,083	78,658,593	37,552,827
Prepaid expenditures	3,310,581	3,434,397	2,781,250		
Inventories	4,930,086	5,029,809	6,155,699	4,702,225	4,527,201
Due from other funds	158,512,659	164,302,157	113,193,845	104,769,754	69,205,841
Total Assets	<u>\$ 453,298,783</u>	<u>\$ 469,191,696</u>	<u>\$ 324,631,230</u>	<u>\$ 294,901,866</u>	<u>\$ 246,782,691</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 56,420,516	\$ 73,205,298	\$ 55,905,512	\$ 53,578,406	\$ 59,727,619
Due to other funds	155,972,801	162,373,298	111,138,392	103,019,115	64,588,802
Deferred revenue	15,832,634	18,899,907	17,922,923	20,281,340	20,803,514
Total Liabilities	228,225,951	254,478,503	184,966,827	176,878,861	145,119,935
Fund Balances					
Reserved	71,841,991	66,660,660	62,272,033	46,882,740	40,387,839
Unreserved, Capital Projects Fund	101,817,244	110,518,518	31,831,488	43,617,113	13,852,806
Unreserved, Special Revenue Funds		592,827	230,306	6,265	15,373,748
Unreserved, General Fund	51,413,597	36,941,186	45,330,576	27,516,887	32,048,363
Total Fund Balances	<u>225,072,832</u>	<u>214,713,191</u>	<u>139,664,403</u>	<u>118,023,005</u>	<u>101,662,756</u>
Total Liabilities and Fund Balances	<u>\$ 453,298,783</u>	<u>\$ 469,191,694</u>	<u>\$ 324,631,230</u>	<u>\$ 294,901,866</u>	<u>\$ 246,782,691</u>

Continued

Jefferson County Board of Education

Balance Sheet--Governmental Funds--Continued

Ten Years' Trend Data

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Assets					
Cash and investments	\$ 134,819,081	\$ 117,525,168	\$ 154,364,251	\$ 152,535,493	\$ 143,054,540
Accounts and grants receivable	52,330,350	72,701,074	26,937,187	25,812,363	22,930,411
Prepaid expenditures	21,070	590,755		117,621	102,060
Inventories	3,761,873	4,124,014	1,274,522		
Due from other funds	87,565,029	67,270,080	35,420,956	40,500,977	44,673,624
Total Assets	<u>\$ 278,497,403</u>	<u>\$ 262,211,091</u>	<u>\$ 217,996,916</u>	<u>\$ 218,966,454</u>	<u>\$ 210,760,635</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 34,197,907	\$ 44,136,399	\$ 21,106,548	\$ 31,826,866	\$ 18,452,041
Due to other funds	80,671,825	64,776,369	32,188,633	36,991,404	46,872,624
Deferred revenue	7,670,540	8,795,861	10,081,516	9,269,630	9,539,906
Total Liabilities	122,540,272	117,708,629	63,376,697	78,087,900	74,864,571
Fund Balances					
Reserved	30,767,439	30,750,240	22,523,688	22,350,192	21,633,219
Unreserved, Capital Projects Fund	73,573,862	58,196,955	64,315,043	43,833,722	56,619,986
Unreserved, Special Revenue Funds	20,448,575	30,135,639	14,795,401	12,218,649	10,343,573
Unreserved, General Fund	31,167,255	25,419,628	52,986,087	62,475,991	47,299,286
Total Fund Balances	<u>155,957,131</u>	<u>144,502,462</u>	<u>154,620,219</u>	<u>140,878,554</u>	<u>135,896,064</u>
Total Liabilities and Fund Balances	<u>\$ 278,497,403</u>	<u>\$ 262,211,091</u>	<u>\$ 217,996,916</u>	<u>\$ 218,966,454</u>	<u>\$ 210,760,635</u>

Jefferson County Board of Education

Statement of Revenues, Expenditures and Changes in Fund Balances--Governmental Funds

Ten Years' Trend Data

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenues					
Local sources					
Property taxes	\$ 319,540,044	\$ 294,485,592	\$ 278,229,137	\$ 245,207,965	\$ 225,667,659
Occupational taxes	115,133,756	114,809,535	106,235,305	98,668,074	92,594,658
Other taxes	36,241,922	36,834,544	40,667,124	37,368,137	44,917,267
State sources					
SEEK program	265,416,143	239,847,485	238,068,370	219,920,355	216,763,593
Other state resources	180,585,707	170,504,801	162,835,245	138,986,875	104,382,146
Grants	106,408,607	103,473,392	105,890,500	93,210,730	110,684,567
Interest	11,342,815	12,916,393	6,897,625	2,737,452	1,368,839
Other sources	<u>8,221,034</u>	<u>14,452,024</u>	<u>8,093,260</u>	<u>10,742,159</u>	<u>12,519,406</u>
Total Revenues	1,042,890,028	987,323,766	946,916,566	846,841,747	808,898,135
Expenditures					
Instruction	523,160,934	492,214,620	465,024,429	437,593,218	436,289,239
Student support services	45,760,603	43,240,184	34,136,928	31,586,242	35,317,549
Instructional staff support services	94,128,354	91,942,870	98,191,644	89,149,582	76,666,425
District administrative support services	4,640,642	4,590,763	4,067,743	3,765,503	3,275,512
School administrative support services	72,310,514	66,303,768	62,718,829	57,350,698	55,040,993
Business support services	36,111,058	34,967,596	33,872,733	29,990,921	34,222,536
Central Office support services					
Community Services	8,530,683	8,018,509	7,966,381	7,523,296	7,433,592
Transportation	65,255,946	62,223,402	55,929,029	60,119,213	44,727,780

Continued

Jefferson County Board of Education

Statement of Revenues, Expenditures and Changes in Fund Balances--Governmental Funds--Continued

Ten Years' Trend Data

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenditures--Continued					
Plant operations and maintenance	98,549,474	90,612,231	92,124,980	81,836,312	72,855,262
Other instructional support services	166,872	388,023	241,768	337,688	122,788
Capital outlay	35,497,582	50,104,464	33,630,519	36,290,545	37,546,548
Other	3,439,877	5,900,875	660,806	534,566	154,127
Debt service					
Principal	24,349,338	21,112,011	18,857,012	17,061,400	12,268,621
Interest	18,755,506	17,634,208	15,240,661	15,689,957	14,560,330
Total Expenditures	<u>1,030,657,383</u>	<u>989,253,524</u>	<u>922,663,462</u>	<u>868,829,141</u>	<u>830,481,302</u>
Other Financing Sources (Uses)					
Proceeds from sale of property		294,380	368,925		
Bond proceeds net of discounts and refunding issues	1,068,000	79,509,491		41,349,247	30,650,501
Operating transfers in	47,221,881	75,100,768	59,881,742	65,853,023	70,523,661
Operating transfers out	(50,162,887)	(77,926,091)	(62,862,373)	(68,854,627)	(76,696,567)
Total Other Financing Sources (Uses)	<u>(1,873,006)</u>	<u>76,978,548</u>	<u>(2,611,706)</u>	<u>38,347,643</u>	<u>24,477,595</u>
Net Change in Fund Balances	10,359,639	75,048,790	21,641,398	16,360,249	2,894,428
Fund Balances, Beginning of Year	<u>214,713,193</u>	<u>139,664,403</u>	<u>118,023,005</u>	<u>101,662,756</u>	<u>98,768,328</u>
Fund Balances, End of Year	<u>\$ 225,072,832</u>	<u>\$ 214,713,193</u>	<u>\$ 139,664,403</u>	<u>\$ 118,023,005</u>	<u>\$ 101,662,756</u>

Continued

Jefferson County Board of Education

Statement of Revenues, Expenditures and Changes in Fund Balances--Governmental Funds--Continued

Ten Years' Trend Data

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Revenues					
Local sources					
Property taxes	\$ 215,806,020	\$ 194,107,123	\$ 177,749,187	\$ 164,981,566	\$ 156,384,969
Occupational taxes	90,517,445	91,585,827	89,975,510	89,067,876	84,835,323
Other taxes	37,155,564	37,898,267	33,749,376	40,498,724	40,446,445
State sources					
SEEK program	210,541,846	204,772,511	209,078,311	219,122,411	209,003,732
Other state resources	98,902,379	95,258,452	91,797,257	77,678,551	67,871,265
Grants	113,223,407	100,026,357	91,110,097	86,475,245	75,169,276
Interest	3,055,469	4,593,289	11,818,115	8,721,382	8,056,041
Other sources	<u>9,444,541</u>	<u>15,588,050</u>	<u>12,608,102</u>	<u>12,498,466</u>	<u>9,414,578</u>
Total Revenues	778,646,671	743,829,876	717,885,955	699,044,221	651,181,629
Expenditures					
Instruction	441,245,306	441,163,977	376,148,082	361,169,483	333,038,119
Student support services	24,737,043	24,264,508	22,627,985	19,640,922	17,833,641
Instructional staff support services	56,984,115	44,901,754	37,437,986	34,206,148	30,417,450
District administrative support services	12,504,417	7,743,036	4,868,095	5,635,305	4,771,607
School administrative support services	48,843,741	47,157,980	42,885,064	40,083,547	37,489,475
Business support services	17,497,224	16,000,125	10,216,108	9,771,618	8,928,275
Central Office support services	22,626,996	29,680,884	78,353,650	65,554,145	57,270,969
Community Services					
Transportation	36,006,442	37,159,160	38,762,153	35,477,143	33,652,014

Continued

Jefferson County Board of Education

Statement of Revenues, Expenditures and Changes in Fund Balances--Governmental Funds--Continued

Ten Years' Trend Data

	2003	2002	2001	2000	1999
Expenditures--Continued					
Plant operations and maintenance	78,605,033	62,421,023	60,568,339	56,994,891	52,651,268
Other instructional support services	790,964	674,207	583,312	570,814	539,526
Capital outlay	38,954,047	47,907,666	51,243,699	48,969,341	50,931,321
Other	3,029,773	414,246	2,070,385	1,661,030	2,042,356
Debt service					
Principal	14,894,263	17,114,263	14,597,219	14,129,881	13,624,881
Interest	17,539,265	17,048,539	17,936,483	17,900,866	15,785,653
Total Expenditures	814,258,629	793,651,368	758,298,560	711,765,134	658,976,555
Other Financing Sources (Uses)					
Proceeds from sale of property					
Bond proceeds net of discounts and refunding issues	47,710,073	40,611,600	54,154,270	17,703,402	37,277,189
Operating transfers in	43,168,418	46,507,755	46,650,812	46,938,004	64,612,513
Operating transfers out	(43,811,864)	(46,632,879)	(46,650,812)	(46,938,004)	(64,612,513)
Total Other Financing Sources (Uses)	47,066,627	40,486,476	54,154,270	17,703,402	37,277,189
Net Change in Fund Balances	11,454,669	(9,335,016)	13,741,665	4,982,489	29,482,263
Fund Balances, Beginning of Year	144,502,462	153,837,478	140,878,554	135,896,065	106,413,801
Fund Balances, End of Year	\$ 155,957,131	\$ 144,502,462	\$ 154,620,219	\$ 140,878,554	\$ 135,896,064

Jefferson County Board of Education

General Government Revenues by Type¹

Seven Years' Trend Data²

	<u>Charges for Service</u>	<u>Operating Grants & Contributions</u>	<u>Property Taxes</u>	<u>Occupational Taxes</u>	<u>Other Taxes</u>
2008	\$ 16,663,931	\$ 145,514,609	\$ 319,540,044	\$ 115,133,756	\$ 36,241,922
2007	16,751,753	140,544,055	294,485,592	114,809,535	36,834,544
2006	15,189,737	138,224,084	278,229,137	106,235,305	40,667,124
2005	15,251,577	123,459,326	245,207,965	98,668,074	37,368,137
2004	15,753,692	138,148,278	225,667,659	92,594,658	44,917,267
2003	14,195,501	140,470,278	215,806,020	90,517,445	37,155,564
2002	\$ 14,758,515	\$ 126,620,348	\$ 194,107,123	\$ 91,585,827	\$ 37,898,267
	<u>SEEK State Revenues</u>	<u>Other State Revenues</u>	<u>Interest Income</u>	<u>Other Revenues</u>	<u>Total</u>
2008	\$ 265,416,143	\$ 171,494,761	\$ 11,534,802	\$ 5,334,952	\$ 1,086,874,920
2007	239,847,485	162,195,817	13,275,448	11,738,199	1,030,482,428
2006	238,068,370	154,792,792	7,137,647	8,527,717	987,071,913
2005	219,920,355	130,973,883	2,808,549	10,742,159	884,400,025
2004	216,763,593	98,227,900	1,387,326	11,720,361	845,180,734
2003	210,541,846	92,743,679	3,091,580	8,763,563	813,285,476
2002	\$ 204,772,511	\$ 90,060,827	\$ 4,673,286	\$ 14,376,424	\$ 778,853,128

¹ General government includes all governmental and enterprise funds.

² For the fiscal year ended June 30, 2002, the Board implemented GASB 34, which substantially affected the comparability of its revenues. Therefore, only data from years after implementation are presented.

Jefferson County Board of Education

General Government Expenses by Function¹

Seven Years' Trend Data²

	Instruction	Student Support Services	Instructional Staff Support Services ³	Administrative Support Services	School Administrative Support Services	Business Support Services ³
2008	\$ 549,932,851	\$ 45,509,104	\$ 90,993,211	\$ 7,130,993	\$ 71,838,251	\$ 34,326,827
2007	517,592,355	43,244,003	92,089,154	6,905,255	66,309,624	34,986,394
2006	493,082,823	34,196,099	102,337,492	6,125,608	62,783,662	34,929,686
2005	438,549,182	31,611,802	90,658,246	5,455,412	57,352,788	30,856,882
2004	454,546,232	35,439,129	80,202,494	3,279,259	55,147,767	42,305,745
2003	458,048,966	28,537,828	55,283,787	12,971,185	48,843,741	17,497,224
2002	\$ 448,030,856	\$ 24,264,508	\$ 45,330,934	\$ 7,850,331	\$ 47,157,980	\$ 16,000,125
	Community Services ³	Central Office Support Services ³	Transportation	Plant Operations and Maintenance	Other Instructional Support Services	Other
2008	\$ 8,670,699		\$ 67,519,376	\$ 98,100,755	\$ 166,191	\$ 3,305,599
2007	8,224,193		66,646,414	91,125,781	388,031	5,661,500
2006	8,056,206		62,658,644	93,156,097	241,768	784,335
2005	7,524,914		65,876,930	82,449,507	337,688	866,162
2004	\$ 7,629,436		50,982,142	75,855,452	122,788	6,327,033
2003		\$ 37,170,247	22,396,728	81,405,643	790,964	3,906,603
2002		\$ 29,788,179	\$ 39,090,470	\$ 97,786,355	\$ 674,207	\$ 205,072
	Interest	School Food Services	Adult Education ³	Tuition-based Pre-school	Daycare Operations ³	Total
2008	\$ 19,214,136	\$ 45,436,764	\$ 850,873	\$ 1,606,645	\$ 775,998	\$ 1,045,378,273
2007	18,114,794	42,589,437	1,031,214	1,220,000	\$ 1,110,925	997,239,074
2006	15,007,609	39,037,601	1,067,753	1,092,906		954,558,289
2005	15,689,957	41,280,887	\$ 824,934	966,103		870,301,394
2004	14,560,330	39,699,644		1,209,476		867,306,927
2003	17,539,265	37,266,355		764,581		822,423,117
2002	\$ 17,048,539	\$ 36,817,138		\$ 715,232		\$ 810,759,926

¹ General government includes all governmental and enterprise funds.

² For the fiscal year ended June 30, 2002, the Board implemented GASB 34, which substantially affected the comparability of its expenses to periods prior to this implementation. Therefore, only data for years since implementation are presented.

³ Due to functional data reclassifications, Community Services and Adult Education expenses are now discreetly presented. Also, Central Office Support Services were reclassified to either Business Support Services or Instructional Staff Support Services depending on the nature of the expense. Daycare Operations was segregated as a fund in 2007.

Jefferson County Board of Education

Property Tax Rates

Ten Years' Trend Data

	<u>Real Estate¹</u>	<u>Personal Property¹</u>	<u>Motor Vehicle¹</u>
2008	61.5	62.7	58.5
2007	61.5	62.5	58.5
2006	62.5	62.5	58.5
2005	59.3	59.3	58.5
2004	57.6	57.6	58.5
2003	57.2	57.2	58.5
2002	53.7	53.7	58.5
2001	53.2	56.7	58.5
2000	53.9	56.4	58.5
1999	54.1	56.2	58.5

¹ Cents per \$100 assessment

Jefferson County Board of Education

Real Estate and Personal Property Tax Revenues

Ten Years' Trend Data

	Amount Levied	Collections as of the End of the Levy Year	Levy Year Percent	Omitted and Delinquent Tax Revenue	Total Tax Revenue Received During Fiscal Year	Total Percent
2008	\$ 331,952,691	\$ 324,755,796	97.8%	\$ 7,770,925	\$ 332,526,721	100.2%
2007	311,661,729	304,482,002	97.7%	2,888,385	307,370,387	98.6%
2006	298,417,199	287,367,702	96.3%	9,754,696	297,122,398	99.6%
2005	269,415,811	254,704,035	94.5%	6,537,947	261,241,982	97.0%
2004	252,678,798	237,286,950	93.9%	12,526,380	249,813,330	98.9%
2003	238,393,362	223,248,416	93.6%	8,282,840	231,531,256	97.1%
2002	215,414,624	203,366,012	94.4%	5,673,383	209,039,395	97.0%
2001	187,470,291	173,344,732	92.5%	4,343,485	177,688,217	94.8%
2000	198,057,971	188,488,043	95.2%	8,656,481	197,144,524	99.5%
1999	\$ 176,558,438	\$ 172,265,239	97.6%	\$ 9,660,915	\$ 181,926,154	103.0%

Tax collections consist of property taxes and franchise taxes. These revenues are split between General Fund and Building Fund in the Financial Section, where franchise taxes are included with Other Taxes.

Jefferson County Board of Education

Property Tax Assessments

Ten Years' Trend Data

	<u>Real Estate</u>	<u>Tangible Personal</u>	<u>Franchise</u>	<u>Motor Vehicle</u>	<u>Distilled Spirits</u>	<u>Total Assessed Value</u>	<u>Estimated Actual Value</u>
2008	\$ 47,853,526,358	\$ 4,363,581,745	\$ 1,562,176,565	\$ 4,125,805,104	\$ 88,173,354	\$ 57,993,263,126	\$ 57,993,263,126
2007	44,983,814,699	3,936,902,343	1,584,198,565	4,061,034,858	87,775,058	54,653,725,523	54,653,725,523
2006	41,668,410,587	3,888,132,905	2,054,796,625	3,864,744,273	89,264,709	51,565,349,099	51,565,349,099
2005	39,219,555,420	3,843,798,280	1,961,221,030	3,610,763,071	96,495,525	48,731,833,326	48,731,833,326
2004	37,477,839,704	3,843,146,423	1,890,441,592	3,806,938,394	96,984,151	47,115,350,264	47,115,350,264
2003	35,587,902,628	3,827,215,407	1,820,345,296	3,678,802,596	102,476,025	45,016,741,952	45,016,741,952
2002	33,989,936,300	4,116,428,183	1,902,048,417	3,651,793,333	106,042,244	43,766,248,477	43,766,248,477
2001	30,778,440,398	4,249,724,830	1,864,378,761	3,649,174,351	104,085,749	40,645,804,089	40,645,804,089
2000	28,329,164,184	3,756,211,573	1,717,988,142	3,279,602,978	144,528,796	37,227,495,673	37,227,495,673
1999	\$ 26,451,792,306	\$ 3,718,459,935	\$ 1,547,973,196	\$ 3,095,741,174	\$ 141,180,317	\$ 34,955,146,928	\$ 34,955,146,928

Source: Jefferson County Property Valuation Administration

Jefferson County Board of Education

Property Taxes, As Assessed

Ten Years' Trend Data

	Real Estate	Tangible Personal	Franchise	Motor Vehicle	Distilled Spirits	Total Property Taxes as Assessed	Estimated Actual Tax Value
2008	\$ 294,299,187	\$ 27,359,658	\$ 9,794,847	\$ 24,135,960	\$ 552,847	\$ 356,142,498	\$ 356,142,498
2007	276,650,460	24,605,640	9,901,241	23,757,054	548,594	335,462,989	335,462,989
2006	260,427,566	24,300,831	12,842,479	22,608,754	557,904	320,737,534	320,737,534
2005	232,571,964	22,793,724	11,630,041	21,122,964	572,218	288,690,911	288,690,911
2004	215,872,357	22,136,523	10,888,944	22,270,590	558,629	271,727,042	271,727,042
2003	203,562,803	21,891,672	10,412,375	21,520,995	586,163	257,974,008	257,974,008
2002	182,525,958	22,105,219	10,214,000	21,362,991	569,447	236,777,615	236,777,615
2001	163,741,303	24,095,940	10,571,028	21,347,670	590,166	220,346,106	220,346,106
2000	152,694,195	21,185,033	9,689,453	19,185,677	815,142	203,569,501	203,569,501
1999	\$ 143,104,196	\$ 20,897,745	\$ 8,699,609	\$ 18,110,086	\$ 793,433	\$ 191,605,070	\$ 191,605,070

Source: Assessments from Jefferson County Property Valuation Administration multiplied by tax rates

Jefferson County Board of Education

Principal Real Estate Taxpayers

For the fiscal year ended June 30, 2008

<u>Company</u>	<u>School Tax Paid</u>	<u>Percent of Total Revenues</u>
Louisville Gas & Electric	\$ 4,608,007	1.3%
Humana	924,888	0.3%
United Parcel Service	780,917	0.2%
BT Property LLC	580,964	0.2%
Louisville Trophy LLC	515,985	0.1%
Ford	473,174	0.1%
MRINCT	434,034	0.1%
Arterburn Shelton	419,802	0.1%
Chevron Products Co.	389,463	0.1%
Whayne Supply	\$ 358,869	0.1%

Percent of total revenues is based on percent of total real estate and other property taxes as follows:

Property taxes	\$ 319,540,044
Other taxes	36,241,922
	<u>\$ 355,781,966</u>

Source: Jefferson County Sheriff

Jefferson County Board of Education

Overlapping Tax Rates

For Tax Year 2007

	Real Estate ¹	Tangible Property ¹	Motor Vehicle ¹		Real Estate ¹	Tangible Property ¹	Motor Vehicle ¹
Metro Louisville Government	12.55	16.60	16.60	Glenview Hills	11.00	0.00	0.00
Anchorage	41.60	41.60	41.60	Glenview Manor	18.00	0.00	0.00
Audubon Park	25.80	0.00	25.20	Goose Creek	18.20	0.00	0.00
Bancroft	25.00	0.00	0.00	Graymoor-Devondale	20.00	0.00	0.00
Barbourmeade	19.72	0.00	0.00	Green Spring	18.72	0.00	0.00
Beechwood Village	11.10	0.00	0.00	Heritage Creek	20.00	0.00	0.00
Bellemeade	7.00	0.00	0.00	Hickory Hill	24.40	0.00	0.00
Bellewood	19.00	0.00	0.00	Hills and Dales	18.20	0.00	0.00
Blue Ridge Manor	20.00	0.00	0.00	Hollow Creek	33.00	0.00	0.00
Briarwood	29.00	0.00	0.00	Houston Acres	20.00	0.00	0.00
Broeck Pointe	21.50	0.00	0.00	Hurstbourne	18.50	0.00	0.00
Brownsboro Farm	30.70	0.00	0.00	Hurstbourne Acres	16.00	0.00	0.00
Brownsboro Village	17.70	0.00	0.00	Indian Hills	20.00	0.00	0.00
Cambridge	17.70	0.00	0.00	Jeffersontown	15.02	0.00	0.00
Coldstream	11.00	0.00	0.00	Kingsley	33.00	0.00	0.00
Creskide	23.00	0.00	0.00	Langdon Place	31.00	0.00	0.00
Crossgate	22.50	0.00	0.00	Lincolnshire	22.00	0.00	0.00
Douglas Hills	14.50	0.00	0.00	Lyndon	13.00	0.00	0.00
Druid Hills	14.00	0.00	0.00	Lynnview	28.70	21.48	11.04
Fincastle	20.00	0.00	0.00	Manor Creek	30.00	0.00	0.00
Forest Hills	15.00	0.00	2.00	Maryhill Estates	15.25	0.00	0.00
Glenview	13.00	0.00	0.00	Meadow Vale	13.90	0.00	0.00

¹ Cents per \$100 assessment

Continued

Jefferson County Board of Education

Overlapping Tax Rates--Continued

For Tax Year 2007

	Real Estate ¹	Tangible Property ¹	Motor Vehicle ¹		Real Estate ¹	Tangible Property ¹	Motor Vehicle ¹
Meadowbrook Farm	7.50	0.00	0.00	Shively	33.90	36.30	36.00
Meadowview Estates	17.00	0.00	0.00	South Park View	22.00	0.00	0.00
Middletown	13.50	0.00	0.00	Spring Mill	20.00	0.00	0.00
Mockingbird Valley	14.10	0.00	0.00	Spring Valley	16.59	0.00	0.00
Moorland	22.00	0.00	0.00	Strathmoor Manor	31.04	0.00	0.00
Murray Hill	18.90	0.00	0.00	Strathmoor Village	36.00	0.00	0.00
Northfield	17.10	0.00	0.00	Sycamore	118.60	0.00	0.00
Norbourne Estates	19.40	0.00	0.00	Ten Broeck	9.89	0.00	0.00
Norwood	19.31	0.00	0.00	Thornhill	12.00	0.00	0.00
Old Brownsboro Place	16.90	0.00	0.00	Watterson Park	10.50	6.50	7.50
Parkway Village	15.52	0.00	0.00	Wellington	25.00	0.00	0.00
Plantation	27.00	0.00	0.00	West Buechel	28.00	0.00	0.00
Poplar Hills	15.00	15.00	0.00	Westwood	18.72	0.00	0.00
Prospect	21.25	0.00	0.00	Wildwood	16.90	0.00	0.00
Richlawn	15.60	0.00	0.00	Windy Hills	17.00	0.00	0.00
Riverwood	19.08	0.00	0.00	Woodland Hills	17.00	0.00	0.00
Rolling Fields	15.80	0.00	0.00	Woodlawn Park	21.30	0.00	0.00
Rolling Hills	19.30	0.00	0.00	Worthington Hille	25.00	0.00	0.00
Saint Matthews	20.00	0.00	0.00	Anchorage Ambulance District	6.50	6.50	6.50
Saint Regis Park	13.60	0.00	0.00	Anchorage Fire District	10.00	10.00	10.00
Seneca Gardens	21.31	0.00	0.00	Buechel Fire District	10.00	10.00	10.00

¹ Cents per \$100 assessment

Continued

Jefferson County Board of Education

Overlapping Tax Rates--Continued

For Tax Year 2007

	Real Estate ¹	Tangible Property ¹	Motor Vehicle ¹
Camp Taylor Fire District	10.00	10.00	10.00
Dixie Suburban Fire District	10.00	10.00	10.00
Eastwood Fire District	10.00	10.00	10.00
Fairdale Fire District	10.00	10.00	10.00
Fern Creek Fire District	10.00	10.00	10.00
Harrods Creek Fire District	10.00	10.00	10.00
Highview Fire District	10.00	10.00	10.00
Jefferson Co 14 Fire District	10.00	10.00	10.00
Jeffersontown Fire District	10.00	10.00	10.00
Lake Dreamland Fire District	10.00	10.00	10.00
Louisville Downtown Management District	8.31	0.00	0.00
Lyndon Fire District	10.00	10.00	10.00
Lynnview Garbage Fund	10.00	10.00	10.00
Middletown Fire District	10.00	10.00	10.00
Okolona Fire District	10.00	10.00	10.00
Pleasure Ridge Park Fire District	10.00	10.00	10.00
St Matthews Fire District	10.00	10.00	10.00
Urban Services District/Louisville	36.76	56.60	16.60
Worthington Fire District	10.00	10.00	10.00

¹ Cents per \$100 assessment

Jefferson County Board of Education

Principal Employers by Number of Employees

December 31, 2007 and Eight Comparison Years¹

	<u>2007</u>	<u>Percent of Jefferson County's Employees</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
United Parcel Service	20,674	6.1%	18,398	17,543	17,206
Jefferson County Public Schools	13,593	4.0%	13,281	13,235	13,420
Humana Inc.	8,775	2.6%	7,458	5,850	4,889
Norton Healthcare Inc.	8,054	2.4%	7,783	8,525	7,850
Ford Motor Co.	7,586	2.2%	8,745	8,972	9,303
Jewish Hospital Healthcare	6,229	1.8%	5,907	7,605	7,597
University of Louisville	5,763	1.7%	5,563	5,236	4,943
Louisville Metro Government	5,698	1.7%	5,993	5,893	5,744
G.E. Consumer Products	5,000	1.5%	5,000	5,000	5,200
The Kroger Co.	4,644	1.4%	5,177	4,827	4,960
KY State Government	4,535	1.3%	4,700	4,564	4,952
Baptist Healthcare System	3,536	1.0%	3,140	3,170	2,308
Kindred Healthcare Inc.	3,033	0.9%	2,349	2,342	1,957
U.S. Government	2,822	0.8%	2,826	2,941	2,801
University of Louisville Hospital	2,668	0.8%	2,346	1,972	2,115
U.S. Postal Service	2,653	0.8%	2,674	2,902	2,872
Catholic Archdiocese of Louisville	2,437	0.7%	2,437	2,680	2,468
Yum! Brands Inc .	2,219	0.7%	2,123	2,195	2,194
U.S. Bureau of Census	1,638	0.5%	1,810	1,672	1,593

Source: Business First magazine

¹ Information not available for 1998

Continued

Jefferson County Board of Education

Principal Employers by Number of Employees-Continued

December 31, 2007 and Eight Comparison Years¹

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
United Parcel Service	20,424	22,303	21,272	16,336	16,338
Jefferson County Public Schools	14,329	13,988	12,465	12,470	13,467
Humana Inc.	4,785	4,672	4,626	4,765	4,665
Norton Healthcare Inc.	7,575	7,034	6,495	6,317	5,877
Ford Motor Co.	9,807	10,300	10,300	9,916	9,832
Jewish Hospital Healthcare	7,667	6,732	4,332	4,297	4,995
University of Louisville	5,133	5,017	6,078	5,203	4,898
Louisville Metro Government	5,995	6,290	6,508	7,515	5,051
G.E. Consumer Products	5,800	5,800	6,000	7,500	7,446
The Kroger Co.	5,045	6,655	4,837	4,700	4,700
KY State Government	5,328	5,314	5,358	5,314	5,405
Baptist Healthcare System	2,204	2,149	2,235	2,246	2,220
Kindred Healthcare Inc.	1,957	1,952	2,229	1,501	1,710
U.S. Government	2,949	2,705	2,673	2,668	2,643
University of Louisville Hospital	2,006	2,006	1,748	N/A	N/A
U.S. Postal Service	3,137	3,284	3,444	3,318	3,117
Catholic Archdiocese of Louisville	2,485	2,560	2,434	2,320	2,295
Yum! Brands Inc .	2,170	2,170	1,589	1,412	N/A
U.S. Bureau of Census	1,651	1,378	3,327	6,267	2,917

Source: Business First magazine

¹ Information not available for 1998

Jefferson County Board of Education

Occupational Tax Revenues

Ten Years' Trend Data

2008	\$	115,133,756
2007		114,809,535
2006		106,235,305
2005		98,668,074
2004		92,594,658
2003		90,517,445
2002		91,585,827
2001		89,975,510
2000		89,067,876
1999	\$	84,835,323

Occupational tax rates have been
0.75% of salaries & wages of
Jefferson County workers for
entire period.

Jefferson County Board of Education

Total Bonded Debt by Responsible Party

Presented for Life of Bonds

Jefferson County Board of Education			
Year Ending June 30	Principal	Interest	Total Repayments
2009	\$ 19,655,910	\$ 15,315,547	\$ 34,971,457
2010	20,259,215	14,599,922	34,859,137
2011	20,583,577	13,857,345	34,440,922
2012	26,208,965	13,084,147	39,293,112
2013	21,140,828	12,263,272	33,404,100
2014-2018	112,475,346	46,807,666	159,283,012
2019-2023	90,576,469	22,156,103	112,732,572
2024-2028	50,438,960	5,286,199	55,725,159
	<u>\$ 361,339,270</u>	<u>\$ 143,370,201</u>	<u>\$ 504,709,471</u>

Metro Louisville			
Year Ending June 30	Principal	Interest	Total Repayments
2009	\$ 120,115	\$ 84,517	\$ 204,632
2010	124,387	80,246	204,633
2011	129,033	75,599	204,632
2012	134,082	70,550	204,632
2013	139,529	65,103	204,632
2014-2018	795,340	227,823	1,023,163
2019-2023	433,677	81,296	514,973
2024-2028	98,560	4,435	102,995
	<u>\$ 1,974,723</u>	<u>\$ 689,570</u>	<u>\$ 2,664,293</u>

Kentucky School Facilities Construction Commission			
Year Ending June 30	Principal	Interest	Total Repayments
2009	\$ 6,276,270	\$ 2,819,831	\$ 9,096,101
2010	6,523,694	2,567,914	9,091,608
2011	4,179,684	2,323,706	6,503,390
2012	4,120,600	2,164,994	6,285,594
2013	4,264,643	2,006,991	6,271,634
2014-2018	21,969,314	7,460,594	29,429,908
2019-2023	16,884,854	3,049,141	19,933,995
2024-2028	5,417,480	416,052	5,833,532
	<u>\$ 69,636,539</u>	<u>\$ 22,809,224</u>	<u>\$ 92,445,763</u>

Total Principal payments	\$ 432,950,532
Total Interest payments	<u>166,868,995</u>
Total Repayments	<u>\$ 599,819,527</u>

These schedules present the total debt service payable over the life of each bond issue. The Kentucky School Facilities Construction Commission and the Metro Louisville government have pledged to pay the debt service on certain issues as documented by a Memorandum of Agreement or a legislative pronouncement; however, all debt was issued in the Board's name and the full liability is reflected in the Financial Section of this CAFR.

Jefferson County Board of Education

Detail of Bonds by Responsible Party

Presented for Life of Bonds

<u>Bond Issue</u>	<u>Jefferson County Board of Education</u>	<u>Kentucky School Facilities Construction</u>	<u>Metro Louisville</u>	<u>Total</u>
1994B		\$ 1,730,000		\$ 1,730,000
1998A	\$ 7,619,487	447,866	\$ 787,647	8,855,000
1998B	458,402	3,781,598		4,240,000
1998C	32,529,105	9,750,895		42,280,000
1999A	37,925,000			37,925,000
2000B QZAB	5,500,000			5,500,000
2001A	14,790,000			14,790,000
2001B	5,533,475	1,566,525		7,100,000
2002A	34,110,000			34,110,000
2002B	17,800,000			17,800,000
2003A	34,596,473	428,527		35,025,000
2004A	3,403,224	21,404,700	1,187,076	25,995,000
2004B	29,130,000			29,130,000
2004C	19,000,000			19,000,000
2005A	20,604,242	355,758		20,960,000
2006A	27,234,574	13,280,426		40,515,000
2006B	19,990,000			19,990,000
2006C	27,089,756	16,890,244		43,980,000
2007A	19,870,000			19,870,000
KISTA	4,155,532			4,155,532
	<u>\$ 361,339,270</u>	<u>\$ 69,636,539</u>	<u>\$ 1,974,723</u>	<u>\$ 432,950,532</u>

Jefferson County Board of Education

Overlapping/Direct Debt and Bond Analysis Ratios

As of June 30, 2008

Governmental Unit	Gross Debt Outstanding	Percentage Applicable to Jefferson County Taxpayers	Jefferson County Taxpayers Share of Debt
Direct Debt:			
Jefferson County Public Schools	\$ 432,950,532	100.0%	\$ 432,950,532
Overlapping Debt:			
Louisville/Jefferson County Metro Government			
Revenue Bonds	130,220,376	100.0%	130,220,376
General Obligation Debt	249,111,037	100.0%	249,111,037
	<u>379,331,413</u>		<u>379,331,413</u>
Total Overlapping and Direct Debt	<u>\$ 812,281,945</u>		<u>\$ 812,281,945</u>
Total Overlapping and Direct Debt Per Capita	\$ 1,159.27	Total Overlapping and Direct to 2007 Total Personal Income	0.0437
Direct Debt Per Capita	\$ 617.90	Total Direct Debt to 2007 Total Personal Income	0.0233
Net Bonded Debt to Assessed Value	0.0084		
Debt Service Expenditures to Total Governmental Expenditures	0.0255		
Governmental Revenues Coverage (Divided by Debt Service Expenditures)	40.5379		

Jefferson County Board of Education

Jefferson County Demographics

As of December 31, 2007

Population by Selected Age Groups	Jefferson County		Labor Market Area		Population by Race and Hispanic Origin	Jefferson County		Labor Market Area	
	Number	Percentage	Number	Percentage		Number	Percentage	Number	Percentage
Under 15	139,391	19.9%	246,138	19.6%	Caucasian	521,745	72.4%	1,039,486	80.7%
15-24	87,538	12.5%	160,355	12.8%	African-American	142,207	19.7%	163,437	12.7%
25-34	84,705	12.1%	162,221	12.9%	Native American or Native Alaskan	1,949	0.3%	3,041	0.2%
35-44	96,361	13.8%	176,863	14.1%	Asian	15,182	2.1%	16,892	1.3%
45-54	109,940	15.7%	194,254	15.5%	Native Hawaiian / Pacific Islander	320	0.0%	563	0.0%
55-64	86,235	12.3%	152,303	12.1%	Other / Multirace	19,278	2.7%	31,369	2.4%
65-74	48,572	6.9%	87,152	6.9%	Hispanic Origin ¹	20,199	2.8%	33,397	2.6%
75 and older	47,939	6.8%	75,502	6.0%					
Total Population	700,681	100.0%	1,254,788	100.0%	Population Estimates ²	720,880	100.0%	1,288,185	100.0%

Source: Applied Geographic Solutions, Simi Valley, CA

Source: Applied Geographic Solutions, Simi Valley, CA

¹Hispanic is not a race category. A person may be Caucasian, African-American, etc. and be of Hispanic origin.

²The groupings in this chart allow for some individuals to be counted twice, such as the Hispanic Origin described in note¹. For this reason, totals are slightly different than the previous chart.

Jefferson County Board of Education

Economic Statistics

Ten Years' Trend Data

	Total Personal Wages	Per Capita Income	Average Weekly Wage	Employment	Unemployment	Unemployment Rate
2008 ¹	N/A	N/A	\$ 849	341,408	23,685	6.5%
2007	\$ 18,603,399,000	\$ 42,989	827	340,011	19,065	5.3%
2006	17,689,458,000	41,377	796	339,832	21,911	5.6%
2005	16,740,577,000	39,661	763	352,988	20,487	6.2%
2004	16,248,513,000	39,021	750	358,016	18,387	5.5%
2003	15,335,816,000	36,827	708	364,264	18,694	6.2%
2002	14,975,994,000	35,588	684	356,607	21,120	5.7%
2001	\$ 14,962,735,000	34,688	667	360,432	18,078	4.8%
2000	N/A	31,934	642	380,750	11,928	3.6%
1999	N/A	\$ 31,474	\$ 610	368,324	14,299	3.8%

¹ Through March 2008

N/A Not available at this time

Source: US Department of Labor, Bureau of Labor Statistics

Jefferson County Board of Education

Number of Employees by Functional Duties

June 30, 2008

<u>Function</u>	<u>6/30/2008 Employees</u>	<u>6/30/2007 Employees</u>	<u>6/30/2006 Employees</u>
Instruction	5,363	5,383	5,237
Home and Hospital Instruction	1,698	1,709	1,680
Technical Education	197	197	205
Adult Education	63	61	61
Other Instructional Programs	1,157	1,176	1,051
Student Support Services	486	481	464
Instructional Staff Support Services	825	827	934
District Administrative Support Services	68	68	68
School Administrative Support Services	1,012	1,036	976
Business Support Services	206	206	211
Plant Operations and Maintenance	1,140	1,139	1,129
Student Transportation	1,220	1,210	1,264
Food Service Operations	902	900	930
Day Care Operations	14	13	18
Community Service Operations	153	156	162
Architectural and Engineering Services	<u>7</u>	<u>6</u>	<u>5</u>
	<u>14,511</u>	<u>14,568</u>	<u>14,395</u>

This information was not archived prior to the 2005-2006 school year

Jefferson County Board of Education

Enrollment by Level

Ten Years' Trend Data

	<u>Elementary</u>	<u>Middle</u>	<u>High</u>	<u>Kindergarten</u>	<u>E.C.E.</u>	<u>Preschool</u>	<u>Total Enrollment</u>
2008	36,179	19,731	27,527	7,449	2,713	4,389	97,988
2007	35,230	19,610	27,500	7,258	3,367	5,122	98,087
2006	34,717	19,781	26,842	7,242	3,671	5,265	97,518
2005	34,716	20,592	26,585	6,928	3,121	5,336	97,278
2004	34,388	20,921	26,336	7,069	3,082	5,214	97,010
2003	34,462	20,741	25,945	6,868	3,269	5,338	96,623
2002	34,977	19,815	25,691	6,701	3,366	5,014	95,564
2001	35,304	19,334	25,848	6,747	3,385	4,892	95,510
2000	35,648	18,987	25,967	6,713	3,458	4,792	95,565
1999	35,450	19,226	26,381	6,776	3,552	4,839	96,224

Reflects second pupil month for each year. Annually, this is our peak enrollment.

Jefferson County Board of Education

Accountability Trend Statistics--Elementary Schools

2007-2008 School Year¹

Academic Index

Reading	88.5
Mathematics	90.8
Science	86.6
Social Studies	79.3
Arts and Humanities	67.5
Practical Living/ Vocational Studies	77.0
Writing	85.7
Total Academic Index	85.3

Non-Academic Factors

Attendance Rate	95.33
Retention Rate	0.41
Non-Academic Index	97.0340

Number of Accountability Students

Number Tested End of Primary	6973
Number Tested Grade 4	7156
Number Tested Grade 5	6888

¹Due to multiple changes in the system, the 2007 and 2008 KCCT data should not be linked to previous years performance.

Jefferson County Board of Education

Accountability Trend Statistics--Middle Schools

2007-2008 School Year¹

Academic Index

Reading	85.7
Mathematics	77.3
Science	74.5
Social Studies	76.7
Arts and Humanities	74.3
Practical Living/ Vocational Studies	80.5
Writing	73.3
Total Academic Index	77.8

Non-Academic Factors

Attendance Rate	93.95
Dropout Rate	0.59
Retention Rate	1.13
Non-Academic Index	96.1357

Number of Accountability Students

Number Tested Grade 6	6567
Number Tested Grade 7	6576
Number Tested Grade 8	6329

¹Due to multiple changes in the system, the 2007 and 2008 KCCT data should not be linked to previous years performance.

Jefferson County Board of Education

Accountability Trend Statistics--High Schools

2007-2008 School Year¹

Academic Index

Reading	89.4
Mathematics	69.8
Science	68.2
Social Studies	74.9
Arts and Humanities	90.0
Practical Living/ Vocational Studies	79.0
Writing	78.0
Total Academic Index	77.5

Non-Academic Factors

Attendance Rate	90.97
Graduation Rate	72.57
Successful Transition to Adult Life	97.81
Non-Academic Index	86.7664

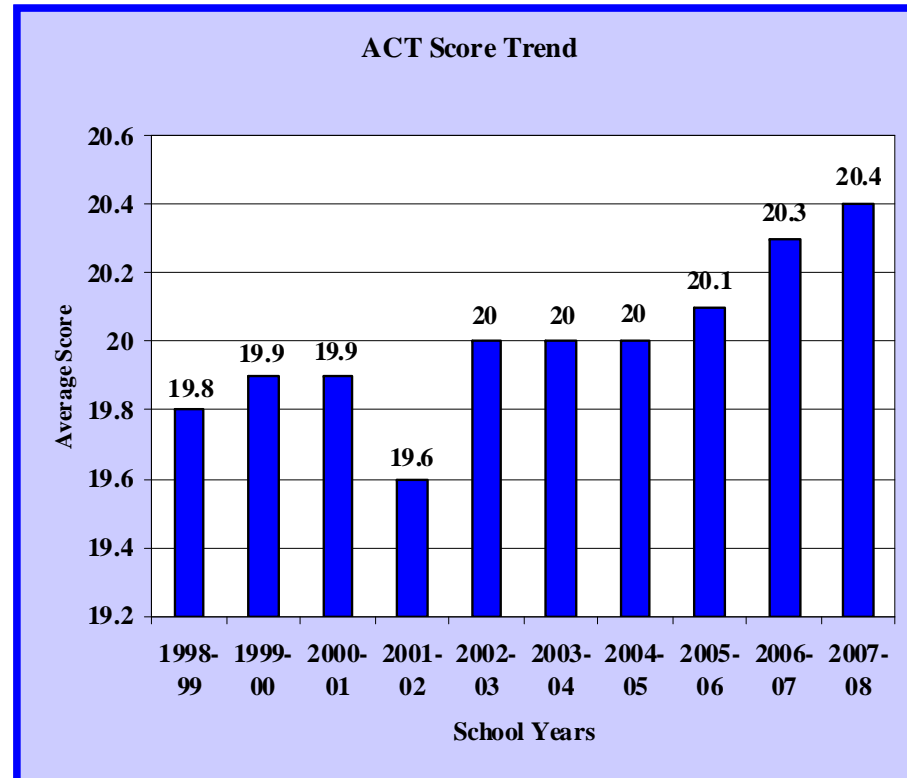
ACT High School Index

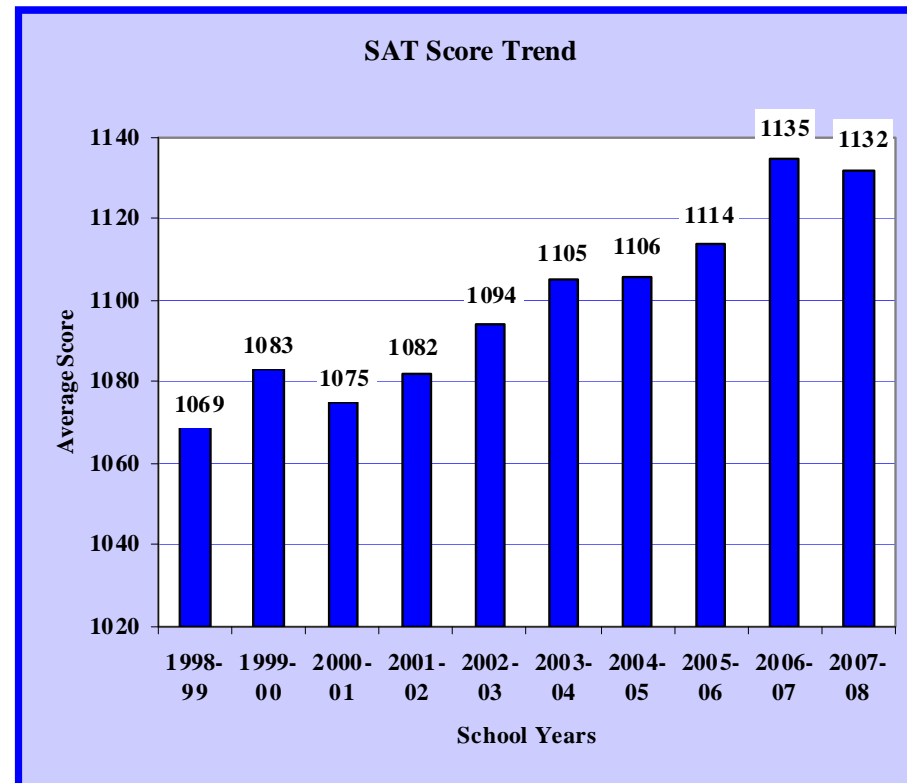
ACT High School Index (PLAN)	70.9
------------------------------	------

Number of Accountability Students

Number Tested Grade 10	6360
Number Tested Grade 11	5831
Number Tested Grade 12	5703

¹Due to multiple changes in the system, the 2007 and 2008 KCCT data should not be linked to previous years performance.





Jefferson County Board of Education

School Building Capacity Data

Ten Years' Trend Data

School Name	Square Footage as of 4/20/06	2007-08		2006-07		2005-06		2004-05		2003-04	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment as of 9/22/04	Program Capacity	Student Enrollment as of 10/7/03
Atherton High	194,044	1,250	1,098	1,250	1,098	1,250	1,066	1,250	966	1,250	951
Atkinson Elementary	67,912	755	508	755	544	755	524	755	533	755	569
Auburndale Elementary	52,820	640	531	640	501	640	530	640	488	640	525
Audubon Traditional Elem.	51,615	612	620	612	611	612	611	612	612	608	610
Ballard High	251,954	1,800	1,757	1,800	1,708	1,800	1,703	1,720	1,678	1,720	1,696
Barret Traditional Middle	107,695	654	642	654	649	654	647	675	654	675	661
Bates Elementary	48,374	605	553	605	609	605	602	566	579	490	520
Blake Elementary	57,416	548	501	548	504	548	498	548	493	548	462
Bloom Elementary	67,415	466	497	466	472	466	426	466	446	466	450
Blue Lick Elementary	45,356	560	559	560	542	560	572	580	531	580	578
Bowen Elementary	57,010	763	754	763	774	763	770	729	747	729	685
Brandeis Elementary	55,400	526	546	526	539	526	542	545	521	545	510
Breckinridge Metropolitan High ¹	63,612										
Breckinridge/Franklin Elem. (New 99-00)	78,404	578	340	578	344	578	355	578	398	578	407
Breckinridge Elementary (Closed 99-00)	63,612										
Brown School	249,716	605	640								
Brown Elementary School	249,716			270	284	270	286	270	267	270	260
Brown Middle School	249,716			150	166	150	169	150	156	150	158
Brown High School	249,716			185	220	185	203	185	213	185	214
Buechel Metropolitan High ¹	46,759										
Butler Traditional High	219,238	1,630	1,663	1,630	1,680	1,630	1,675	1,630	1,640	1,630	1,640
Byck Elementary	67,558	583	536	583	477	583	474	583	513	583	513
Camp Taylor Elementary	59,199	568	462	568	450	568	422	568	457	568	498
Cane Run Elementary	59,840	574	459	574	465	574	485	574	468	574	481
Carriethers Middle	92,976	800	637	800	634	800	683	800	754	800	739
Carter Elementary (Closed 01-02)											
Carter Elementary (New 01-02)	164,775	596	593	596	574	596	573	650	589	650	583

Continued

Jefferson County Board of Education

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage as of 4/20/06	2002-03		2001-02		2000-01		1999-00		1998-99	
		Program Capacity	Student Enrollment as of 9/10/02	Program Capacity	Student Enrollment as of 9/6/01	Program Capacity	Student Enrollment as of 9/7/00	Program Capacity	Student Enrollment as of 9/9/99	Program Capacity	Student Enrollment as of 8/25/98
Atherton High	194,044	1,250	1,036	1,250	1,047	1,250	1,101	1,250	1,120	1,250	1,087
Atkinson Elementary	67,912	755	575	755	590	755	593	774	718	774	711
Auburndale Elementary	52,820	640	551	640	544	640	557	678	550	678	548
Audubon Traditional Elem.	51,615	608	583	608	580	608	583	608	581	608	559
Ballard High	251,954	1,720	1,679	1,720	1,682	1,700	1,706	1,700	1,689	1,700	1,652
Barret Traditional Middle	107,695	675	648	675	656	675	645	675	652	675	646
Bates Elementary	48,374	490	472	471	477	484	451	484	458	484	459
Blake Elementary	57,416	548	526	548	524	499	511	499	500	499	406
Bloom Elementary	67,415	466	435	466	465	466	460	466	458	466	452
Blue Lick Elementary	45,356	580	529	580	535	580	556	600	585	600	537
Bowen Elementary	57,010	729	672	729	734	729	711	686	671	683	616
Brandeis Elementary	55,400	545	514	545	531	545	503	545	513	545	444
Breckinridge Metropolitan High ¹	63,612										
Breckinridge/Franklin Elem. (New 99-00)	78,404	578	423	578	489	578	518	650	549	n/a	n/a
Breckinridge Elementary (Closed 99-00)	63,612									520	396
Brown School	249,716										
Brown Elementary School	249,716	270	261	270	271	n/a	271	270	257	270	266
Brown Middle School	249,716	150	157	150	151	150	149	150	153	150	152
Brown High School	249,716	185	200	185	192	n/a	183	n/a	189	200	189
Buechel Metropolitan High ¹	46,759										
Butler Traditional High	219,238	1,630	1,605	1,630	1,576	1,630	1,570	1,630	1,602	1,600	1,630
Byck Elementary	67,558	583	509	512	505	512	481	644	493	644	460
Camp Taylor Elementary	59,199	568	501	568	543	568	525	608	515	608	441
Cane Run Elementary	59,840	574	516	574	513	574	549	605	534	605	455
Carithers Middle	92,976	800	671	800	624	800	625	800	647	800	681
Carter Elementary (Closed 01-02)						710	628	728	633	728	580
Carter Elementary (New 01-02)	164,775	650	582	650	583						

Continued

Jefferson County Board of Education

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage as of 4/20/06	2007-08		2006-07		2005-06		2004-05		2003-04	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment as of 9/22/04	Program Capacity	Student Enrollment as of 10/7/03
Central High	206,118	1,400	988	1,400	952	1,400	985	1,400	1,036	1,400	1,013
Chancey Elementary (New 02-03)	151,957	765	768	765	747	765	760	732	761	660	728
Chenoweth Elementary	57,431	640	551	640	528	640	533	664	565	664	560
Churchill Park School ¹	82,200										
Cochran Elementary	56,645	514	413	514	388	514	397	514	403	514	396
Cochrane Elementary	52,724	495	386	495	402	495	379	495	387	495	381
Coleridge Taylor Elementary	73,437	750	702	750	743	750	724	728	723	728	706
Conway Middle	99,073	950	895	950	905	950	897	950	960	930	954
Coral Ridge Elementary	53,751	562	476	562	482	562	500	562	495	562	502
Crosby Middle	98,894	1,120	1,261	1,120	1,226	1,120	1,106	1,100	1,122	1,120	1,092
Crums Lane Elementary	53,230	550	419	550	420	550	447	550	427	550	417
Dixie Elementary	44,573	468	448	468	436	468	421	468	393	468	405
Doss High	237,403	1,600	1,116	1,600	1,226	1,600	1,172	1,600	1,147	1,600	1,053
Dunn Elementary	51,816	603	615	603	605	603	596	603	589	603	589
DuPont Maunal High	247,955	1,800	1,896	1,800	1,886	1,800	1,894	1,800	1,846	1,780	1,822
Eastern High	241,428	1,800	1,949	1,800	1,990	1,800	1,924	1,800	1,850	1,800	1,816
Eisenhower Elementary	56,195	551	497	551	489	551	496	551	463	551	446
Engelhard Elementary	50,212	480	492	480	454	480	461	480	423	480	429
Fairdale Elementary	67,584	669	504	669	487	669	488	669	487	669	483
Fairdale High Magnet Career Academy	285,863	1,600	847	1,600	892	1,600	859	1,600	833	1,600	799
Farmer Elementary (New 07-08)	79,550	650	382								
Farnsley Middle (Formerly Williams Middle)	123,433	1,010	1,092	1,010	1,017	1,010	1,001	1,046	1,003	1,046	992
Fern Creek Elementary	56,020	796	817	796	799	796	780	796	829	770	796
Fern Creek Traditional High	249,569	1,575	1,507	1,575	1,490	1,575	1,436	1,575	1,335	1,575	1,183
Field Elementary	48,818	426	443	426	417	426	399	426	368	426	364
Foster Traditional Academy (New 00-01)	80,743	650	643	650	634	650	574	650	613	650	604
Foster Elementary (Closed 00-01)	51,796										
Franklin Elementary (Closed 99-00)											

Continued

Jefferson County Board of Education

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage as of 4/20/06	2002-03		2001-02		2000-01		1999-00		1998-99	
		Program Capacity	Student Enrollment as of 9/10/02	Program Capacity	Student Enrollment as of 9/6/01	Program Capacity	Student Enrollment as of 9/7/00	Program Capacity	Student Enrollment as of 9/9/99	Program Capacity	Student Enrollment as of 8/25/98
Central High	206,118	1,400	1,058	1,400	1,010	1,400	992	1,400	970	1,400	1,000
Chancey Elementary (New 02-03)	151,957	650	628								
Chenoweth Elementary	57,431	664	562	664	566	664	595	724	623	724	641
Churchill Park School ¹	82,200										
Cochran Elementary	56,645	514	382	514	441	514	478	638	486	638	406
Cochrane Elementary	52,724	495	411	495	432	495	449	504	474	504	429
Coleridge Taylor Elementary	73,437	728	670	728	681	728	664	728	683	728	599
Conway Middle	99,073	850	852	850	791	850	743	850	752	850	758
Coral Ridge Elementary	53,751	562	485	562	488	562	498	562	533	562	519
Crosby Middle	98,894	1,010	1,091	960	957	960	942	960	927	960	945
Crums Lane Elementary	53,230	550	461	550	499	550	516	552	520	552	456
Dixie Elementary	44,573	468	425	468	427	468	422	514	401	514	395
Doss High	237,403	1,600	1,024	1,600	983	1,600	955	1,600	1,020	1,600	1,020
Dunn Elementary	51,816	603	566	603	591	603	609	603	600	588	587
DuPont Maunal High	247,955	1,780	1,779	1,780	1,775	1,780	1,771	1,780	1,786	1,750	1,781
Eastern High	241,428	1,700	1,738	1,630	1,652	1,600	1,662	1,600	1,583	1,600	1,639
Eisenhower Elementary	56,195	551	442	551	489	551	460	642	429	642	407
Engelhard Elementary	50,212	480	443	494	447	494	465	494	469	494	471
Fairdale Elementary	67,584	669	539	669	579	669	600	742	686	742	675
Fairdale High Magnet Career Academy	285,863	1,600	882	1,600	847	1,600	949	1,600	975	1,600	930
Farmer Elementary (New 07-08)	79,550										
Farnsley Middle (Formerly Williams Middle)	123,433	1,046	988	1,046	1,011	900	1,018	900	860	900	704
Fern Creek Elementary	56,020	770	770	736	760	736	756	713	746	713	699
Fern Creek Traditional High	249,569	1,575	1,137	1,575	1,149	1,575	1,201	1,575	1,295	1,575	1,373
Field Elementary	48,818	426	361	426	400	426	396	426	405	426	405
Foster Traditional Academy (New 00-01)	80,743	650	602	650	609	546	552				
Foster Elementary (Closed 00-01)	51,796							546	540	546	547
Franklin Elementary (Closed 99-00)										282	206

Continued

Jefferson County Board of Education

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage as of 4/20/06	2007-08		2006-07		2005-06		2004-05		2003-04	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment as of 9/22/04	Program Capacity	Student Enrollment as of 10/7/03
Frayser Elementary	71,730	522	385	522	387	522	390	522	385	522	384
Frost Middle	76,851	700	337	700	368	700	466	700	493	750	460
Gilmore Lane Elementary	39,483	407	359	407	375	407	370	407	370	407	364
Goldsmith Elementary	42,994	650	654	650	661	650	647	650	639	650	628
Greathouse/Shryock Elem.	51,054	612	613	612	611	612	612	612	611	608	610
Greenwood Elementary	42,848	556	579	556	564	556	556	556	554	600	558
Gutermuth Elementary	53,378	563	531	563	545	563	550	563	544	563	525
Hartstern Elementary	52,655	592	538	592	555	592	562	592	568	592	578
Hawthorne Elementary	42,510	484	380	484	370	484	370	505	352	505	382
Hazelwood Elementary	83,381	696	411	696	419	696	422	696	404	696	431
Highland Middle	123,574	1,025	1,048	1,025	1,040	1,025	1,027	1,025	1,023	1,050	1,021
Hite Elementary	45,720	513	518	513	511	513	510	513	506	512	518
Indian Trail Elementary	40,225	537	464	537	482	537	488	537	552	537	510
Iroquois High	296,110	1,450	1,275	1,450	1,266	1,450	1,268	1,450	1,186	1,450	1,117
Iroquois Middle	101,510	895	613	895	594	895	618	936	719	936	770
Jacob Elementary	61,250	675	597	675	591	675	571	675	627	675	612
Jefferson County Trad. Middle	120,513	929	920	929	925	929	929	1,001	920	1,001	917
Jefferson County Virtual School (New 06-07)			345		284						
Jefferson, Thomas Middle	224,413	1,425	995	1,425	1,000	1,425	1,051	1,425	1,137	1,425	1,138
Jeffersontown Elementary	69,305	778	774	778	819	778	778	759	768	759	743
Jeffersontown High Magnet Career	298,488	1,600	1,102	1,600	1,101	1,600	1,047	1,600	1,006	1,600	961
Johnson Traditional Middle	136,185	959	976	959	977	959	974	975	966	975	948
Johnsontown Road Elementary	47,096	471	477	471	462	471	422	471	416	471	397
Kammerer Middle	112,682	1,050	848	1,050	844	1,050	858	1,050	874	1,050	883
Kennedy Metropolitan ¹	36,765										
Kennedy Montessori Elementary	58,592	600	549	600	585	600	594	600	574	600	558
Kenwood Elementary	47,319	600	568	600	572	600	589	669	580	669	584
Kerrick Elementary	49,808	540	489	540	461	540	445	540	441	540	428

Continued

Jefferson County Board of Education

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage as of 4/20/06	2002-03		2001-02		2000-01		1999-00		1998-99	
		Program Capacity	Student Enrollment as of 9/10/02	Program Capacity	Student Enrollment as of 9/6/01	Program Capacity	Student Enrollment as of 9/7/00	Program Capacity	Student Enrollment as of 9/9/99	Program Capacity	Student Enrollment as of 8/25/98
Frayser Elementary	71,730	522	390	522	430	522	405	594	479	594	438
Frost Middle	76,851	700	449	700	427	700	437	700	471	700	560
Gilmore Lane Elementary	39,483	407	353	407	364	407	366	385	387	384	308
Goldsmith Elementary	42,994	650	638	612	637	612	590	662	589	662	498
Greathouse/Shryock Elem.	51,054	608	590	608	591	608	589	608	592	608	594
Greenwood Elementary	42,848	535	574	563	535	512	537	512	502	512	469
Gutermuth Elementary	53,378	563	493	563	490	563	489	563	517	563	517
Hartstern Elementary	52,655	592	575	592	583	592	570	608	570	608	529
Hawthorne Elementary	42,510	505	376	505	412	505	445	483	449	483	434
Hazelwood Elementary	83,381	696	467	696	496	696	542	744	570	744	478
Highland Middle	123,574	1,050	933	1,050	867	1,050	857	1,050	869	1,050	897
Hite Elementary	45,720	512	511	512	507	512	497	512	484	512	461
Indian Trail Elementary	40,225	537	530	521	525	521	505	510	503	510	484
Iroquois High	296,110	1,450	1,044	1,450	1,087	1,450	1,148	1,450	1,136	1,450	1,151
Iroquois Middle	101,510	936	818	936	871	936	866	950	895	950	823
Jacob Elementary	61,250	675	606	675	622	675	656	683	656	674	686
Jefferson County Trad. Middle	120,513	1,001	916	1,001	899	1,001	895	1,001	896	1,001	910
Jefferson County Virtual School (New 06-07)											
Jefferson, Thomas Middle	224,413	1,425	1,191	1,425	1,136	1,425	1,161	1,425	1,182	1,425	1,179
Jeffersontown Elementary	69,305	759	743	759	732	759	683	778	666	778	595
Jeffersontown High Magnet Career	298,488	1,600	1,017	1,600	988	1,600	1,099	1,600	1,067	1,600	1,142
Johnson Traditional Middle	136,185	975	937	975	959	975	958	975	923	975	905
Johnsontown Road Elementary	47,096	471	388	471	398	471	402	445	429	424	390
Kammerer Middle	112,682	1,050	862	1,050	754	1,050	800	1,050	810	1,050	872
Kennedy Metropolitan ¹	36,765										
Kennedy Montessori Elementary	58,592	565	591	565	539	565	560	546	562	516	526
Kenwood Elementary	47,319	669	591	669	595	600	675	618	602	601	553
Kerrick Elementary	49,808	540	422	540	428	540	435	540	458	540	446

Continued

Jefferson County Board of Education

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage as of 4/20/06	2007-08		2006-07		2005-06		2004-05		2003-04	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment as of 9/22/04	Program Capacity	Student Enrollment as of 10/7/03
King Elementary	67,295	484	455	484	426	484	437	484	405	484	418
Klondike Lane Elementary	57,300	658	680	658	682	658	631	624	619	624	619
Knight Middle	101,568	700	594	700	586	700	582	700	607	700	606
Lassiter Middle	103,834	925	634	925	651	925	675	950	732	950	733
Laukhuf Elementary	56,209	620	512	620	502	620	504	620	509	620	530
Layne Elementary	50,740	514	465	514	499	514	470	490	476	490	474
Liberty High	100,329	n/a	346	n/a	373	n/a	316	n/a	263	n/a	283
Lincoln Elementary	63,067	439	302	439	294	439	282	406	392	406	347
Louisville Male High	209,752	1,634	1,754	1,634	1,792	1,634	1,683	1,634	1,638	1,634	1,633
Lowe Elementary	59,560	600	602	600	600	600	602	570	593	566	572
Luhr Elementary	49,373	524	510	524	507	524	474	524	475	524	481
Lyndon Vocational School ¹	50,963										
Maupin Elementary	74,000	675	602	675	619	675	602	650	652	650	630
McFerran Preparatory Academy	334,503	1,062	881	1,062	891	1,062	916	1,062	876	1,062	884
Medora Elementary	39,537	424	413	424	414	424	408	424	411	420	412
Meyzeek Middle	134,645	1,200	1,059	1,200	1,073	1,200	1,096	1,200	1,108	1,200	1,129
Middletown Elementary	58,553	632	595	632	609	632	602	632	575	632	541
Mill Creek Elementary	49,651	564	495	564	487	564	458	564	460	564	448
Minors Lane Elementary	51,721	600	351	600	395	600	443	600	488	600	482
Moore Traditional School (New 06-07)	265,786	2,050	1,585	2,050	1,716						
Moore Traditional Middle	265,786					1,050	906	1,050	928	1,050	1,013
Moore Traditional High	265,786					1,000	743	1,000	710	1,000	651
Myers Middle	97,164	1,010	852	1,010	828	1,010	950	1,010	991	1,020	1,006
Newburg Middle	123,433	1,112	1,024	1,112	1,047	1,112	1,084	1,112	1,068	1,050	1,118
Noe Middle	155,118	1,250	1,336	1,250	1,269	1,250	1,274	1,332	1,301	1,332	1,300
Norton Elementary	62,719	750	718	750	739	750	721	750	722	774	699
Okolona Elementary	50,950	501	458	501	467	501	468	501	490	501	493

Continued

Jefferson County Board of Education

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage as of 4/20/06	2002-03		2001-02		2000-01		1999-00		1998-99	
		Program Capacity	Student Enrollment as of 9/10/02	Program Capacity	Student Enrollment as of 9/6/01	Program Capacity	Student Enrollment as of 9/7/00	Program Capacity	Student Enrollment as of 9/9/99	Program Capacity	Student Enrollment as of 8/25/98
King Elementary	67,295	484	417	484	430	484	433	484	454	484	418
Klondike Lane Elementary	57,300	624	607	587	604	587	579	587	542	587	544
Knight Middle	101,568	750	588	750	501	750	486	750	486	750	502
Lassiter Middle	103,834	950	768	950	756	950	768	950	785	950	875
Laukhuf Elementary	56,209	620	536	620	534	620	528	608	520	608	499
Layne Elementary	50,740	490	464	490	448	490	430	444	433	444	352
Liberty High	100,329	n/a	354	n/a	344	n/a	320	n/a	243	n/a	n/a
Lincoln Elementary	63,067	406	370	406	366	406	351	462	370	462	331
Louisville Male High	209,752	1,634	1,626	1,610	1,634	1,610	1,627	1,610	1,623	1,600	1,622
Lowe Elementary	59,560	566	551	566	524	566	557	566	554	566	535
Luhr Elementary	49,373	524	490	524	483	524	478	502	514	502	440
Lyndon Vocational School ¹	50,963										
Maupin Elementary	74,000	650	617	650	611	650	604	585	618	585	511
McFerran Preparatory Academy	334,503	1,062	875	1,062	908	966	987	819	909	815	561
Medora Elementary	39,537	420	390	420	404	420	369	420	381	420	361
Meyzeek Middle	134,645	1,200	1,171	1,275	1,158	1,275	1,064	1,275	1,085	1,275	1,152
Middletown Elementary	58,553	632	525	632	557	632	575	616	594	616	591
Mill Creek Elementary	49,651	564	455	564	454	564	478	596	501	596	499
Minors Lane Elementary	51,721	600	510	600	498	600	521	600	507	600	438
Moore Traditional Middle	265,786	1,010	967	850	914	850	831	700	733	700	595
Moore Traditional High	265,786	1,135	656	1,135	619	1,550	655	1,550	631	1,550	645
Myers Middle	97,164	1,020	988	940	964	940	915	925	909	925	910
Newburg Middle	123,433	1,050	1,048	988	1,021	926	962	926	915	900	908
Noe Middle	155,118	1,300	1,315	1,300	1,215	1,300	1,253	1,300	1,246	1,300	1,262
Norton Elementary	62,719	774	734	774	746	774	756	741	752	741	699
Okolona Elementary	50,950	501	491	501	497	501	500	526	480	526	459

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Jefferson County Board of Education

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage as of 4/20/06	2007-08		2006-07		2005-06		2004-05		2003-04	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment as of 9/22/04	Program Capacity	Student Enrollment as of 10/7/03
Pleasure Ridge Park High	265,703	1,820	1,940	1,820	1,879	1,820	1,956	1,800	1,946	1,800	1,896
Portland Elementary	52,661	472	283	472	288	472	306	472	345	472	341
Price Elementary	53,339	547	551	547	558	547	510	569	493	569	541
Rangeland Elementary	46,210	520	417	520	397	520	433	520	447	520	454
Roosevelt Perry Elementary	50,185	451	357	451	343	451	354	451	380	451	379
Rutherford Elementary	83,296	600	539	600	510	600	533	600	540	600	523
Sanders Elementary	44,376	503	541	503	513	503	494	503	480	490	485
Schaffner Traditional Elementary	41,156	612	610	612	604	612	608	612	610	600	606
Semple Elementary	65,447	629	587	629	599	629	596	629	610	629	608
Seneca High	236,142	1,685	1,731	1,685	1,773	1,685	1,711	1,685	1,770	1,650	1,735
Shacklette Elementary	47,409	708	524	708	565	708	611	708	602	708	611
Shawnee High	333,804	1,400	755	1,400	786	1,400	691	1,400	735	1,400	778
Shelby Elementary (New 03-04)	83,477	650	492	650	502	650	500	650	477	650	329
Shelby Elementary (Closed 03-04)											
Slaughter Elementary	50,578	508	441	508	433	508	437	508	434	508	456
Smyrna Traditional Elementary	42,827	623	593	623	560	623	581	620	615	640	627
South Park TAPP Program ¹	42,152										
Southern High	329,983	1,700	1,291	1,700	1,383	1,700	1,402	1,700	1,359	1,700	1,398
Southern Leadership Academy Middle	152,553	1,050	746	1,050	714	1,050	796	1,050	834	1,050	731
St. Matthews Elementary	46,228	550	551	550	550	550	533	519	550	519	528
Stonestreet Elementary	49,169	578	567	578	536	578	519	578	515	578	530
Stopher Elementary (New 07-08)	79,550	650	475								
Stuart Middle	214,706	1,500	1,114	1,500	1,112	1,500	1,177	1,500	1,252	1,500	1,342
Taylor, Zachary Elementary	45,067	585	499	585	504	585	503	563	510	563	523
Trunnel Elementary	55,097	670	600	670	626	670	639	670	661	661	673
Tully Elementary	105,648	809	743	809	836	809	822	809	769	809	769
Valley Traditional High	266,102	1,600	879	1,600	884	1,600	922	1,600	945	1,600	960
Waggener High	222,142	1,300	1,136	1,300	1,190	1,300	1,159	1,300	1,149	1,300	1,080

Continued

Jefferson County Board of Education

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage as of 4/20/06	2002-03		2001-02		2000-01		1999-00		1998-99	
		Program Capacity	Student Enrollment as of 9/10/02	Program Capacity	Student Enrollment as of 9/6/01	Program Capacity	Student Enrollment as of 9/7/00	Program Capacity	Student Enrollment as of 9/9/99	Program Capacity	Student Enrollment as of 8/25/98
Pleasure Ridge Park High	265,703	1,800	1,828	1,800	1,831	1,800	1,861	1,800	1,834	1,800	1,886
Portland Elementary	52,661	472	386	472	370	472	413	513	462	513	403
Price Elementary	53,339	569	550	569	514	569	487	576	501	576	457
Rangeland Elementary	46,210	520	450	520	440	520	465	551	497	551	487
Roosevelt Perry Elementary	50,185	451	357	451	334	451	388	620	410	620	405
Rutherford Elementary	83,296	600	522	600	552	600	578	651	574	651	540
Sanders Elementary	44,376	490	504	490	495	490	476	472	462	472	425
Schaffner Traditional Elementary	41,156	600	580	600	583	600	588	592	589	592	591
Semple Elementary	65,447	629	605	576	598	567	575	690	587	690	512
Seneca High	236,142	1,650	1,715	1,650	1,725	1,650	1,713	1,650	1,706	1,600	1,662
Shacklette Elementary	47,409	708	691	708	686	640	708	700	643	683	589
Shawnee High	333,804	1,400	526	1,400	577	1,400	520	1,400	634	1,400	772
Shelby Elementary (New 03-04)	83,477										
Shelby Elementary (Closed 03-04)		440	316	440	337	440	359	517	372	519	395
Slaughter Elementary	50,578	454	452	417	430	417	365	491	406	491	402
Smyrna Traditional Elementary	42,827	631	647	631	628	631	638	620	617	620	533
South Park TAPP Program ¹	42,152										
Southern High	329,983	1,700	1,355	1,700	1,376	1,700	1,416	1,700	1,454	1,700	1,565
Southern Leadership Academy Middle	152,553	1,050	902	1,050	819	1,050	773	1,050	812	1,050	872
St. Matthews Elementary	46,228	519	515	519	500	519	513	519	507	517	515
Stonestreet Elementary	49,169	578	479	578	482	578	493	603	466	603	436
Stopher Elementary (New 07-08)	79,550										
Stuart Middle	214,706	1,500	1,421	1,450	1,317	1,450	1,236	1,450	1,183	1,450	1,267
Taylor, Zachary Elementary	45,067	680	521	680	645	680	647	732	638	732	549
Trunnel Elementary	55,097	661	646	628	651	628	620	644	622	644	613
Tully Elementary	105,648	809	773	809	766	809	781	773	776	773	690
Valley Traditional High	266,102	1,600	984	1,600	1,016	1,600	1,030	1,600	974	1,600	1,024
Waggener High	222,142	1,300	982	1,300	966	1,300	872	1,300	988	1,300	1,001

Continued

Jefferson County Board of Education

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage as of 4/20/06	2007-08		2006-07		2005-06		2004-05		2003-04	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment as of 9/22/04	Program Capacity	Student Enrollment as of 10/7/03
Waller William Environmental ¹	52,616										
Watson Lane Elementary	62,030	661	559	661	591	661	607	661	594	661	592
Watterson Elementary	52,105	615	574	615	606	615	592	620	608	606	613
Wellington Traditional Elem.	50,555	547	458	547	451	547	467	547	448	547	416
Western High	235,472	1,300	960	1,300	952	1,300	912	1,300	808	1,300	779
Western Middle	133,525	825	463	825	495	825	542	825	650	825	703
Westport TAPP Program ¹	52,950										
Westport Traditional Middle	181,805	1,300	749	1,300	869	1,300	913	1,300	1,021	1,300	1,138
Wheatley Elementary	63,935	550	422	550	430	550	391	550	419	550	422
Wheeler Elementary	53,443	680	605	680	684	680	678	665	681	665	678
Wilder Elementary	49,738	610	587	610	580	610	599	610	601	606	601
Wilkerson Traditional Elem.	43,795	470	509	470	503	470	475	470	431	470	421
Wilt Elementary	50,481	550	504	550	533	550	543	550	484	550	488
Young Elementary	73,437	610	579	610	513	610	510	610	558	610	529
Youth Performing Arts Program ¹	78,043										

¹ Students at these alternative schools are counted in the enrollment at their home school.

Enrollment presented is as of the end of the first pupil month. This is not typically our highest enrollment month during the school year, but this is when the program budget is set and students are assigned to each school within program capacity guidelines.

Continued

Jefferson County Board of Education

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage as of 4/20/06	2002-03		2001-02		2000-01		1999-00		1998-99	
		Program Capacity	Student Enrollment as of 9/10/02	Program Capacity	Student Enrollment as of 9/6/01	Program Capacity	Student Enrollment as of 9/7/00	Program Capacity	Student Enrollment as of 9/9/99	Program Capacity	Student Enrollment as of 8/25/98
Waller William Environmental ¹	52,616										
Watson Lane Elementary	62,030	661	591	661	585	661	625	661	600	651	571
Watterson Elementary	52,105	606	607	589	606	587	589	576	588	576	533
Wellington Traditional Elem.	50,555	547	418	547	451	547	480	547	494	547	488
Western High	235,472	1,300	741	1,300	666	1,300	663	1,300	655	1,300	690
Western Middle	133,525	825	763	825	784	825	771	825	695	825	670
Westport TAPP Program ¹	52,950										
Westport Traditional Middle	181,805	1,300	1,096	1,300	995	1,300	945	1,300	944	1,300	994
Wheatley Elementary	63,935	600	444	600	464	600	467	600	486	600	449
Wheeler Elementary	53,443	665	649	665	637	665	644	665	623	665	579
Wilder Elementary	49,738	606	603	606	588	606	604	606	590	606	580
Wilkerson Traditional Elem.	43,795	470	407	470	409	470	402	470	362	470	339
Wilt Elementary	50,481	550	475	488	479	488	449	526	458	526	424
Young Elementary	73,437	610	513	610	557	610	524	610	523	610	424
Youth Performing Arts Program ¹	78,043										

¹ Students at these alternative schools are counted in the enrollment at their home school.

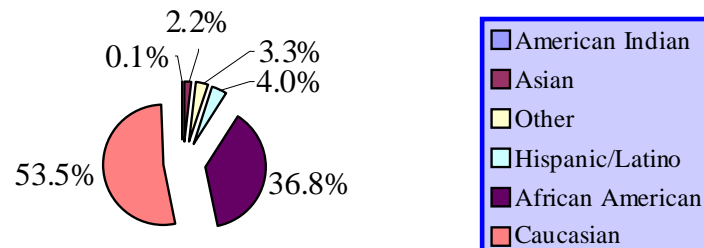
Enrollment presented is as of the end of the first pupil month. This is not typically our highest enrollment month during the school year, but this is when the program budget is set and students are assigned to each school within program capacity guidelines.

Jefferson County Board of Education

Miscellaneous Statistics

For the Year Ended June 30, 2008

Student Demographics



Number of Students

English as a Second Language	4,046
Different Languages	86
Special Needs	13,574
Free and Reduced Price Lunch	54.9%
Advanced Placement Tests Taken	4,891

Student Transportation

Number of Buses	843
Number of Bus Compounds	13
Miles Driven per Day	85,755
Number of Students Driven Twice a Day	59,946

General Fund Funding Allocation

